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Letter of transmittal

[31 August 2015]

Letter dated 31 August 2015 from the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the President of the General Assembly

I have the honour to submit to the General Assembly the annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for 2014. The report is submitted in compliance with the request contained in paragraph 21 of resolution 302 (IV) of 8 December 1949 and with paragraph 8 of resolution 1315 (XIII) of 12 December 1958.

The report describes political, economic, security and operational developments in UNRWA fields of operation in Jordan, Lebanon, the Syrian Arab Republic and the occupied Palestinian territory, including East Jerusalem, as well as significant organizational, legal, and financial developments. It also reviews progress towards human development goals, as set out in the Agency's medium-term strategy for 2010-2015.

The Advisory Commission of UNRWA endorsed a draft version of this report before its June 2015 session. With the addition of Brazil and the United Arab Emirates, the Commission comprises 27 Member States and 3 observers. A letter from the Chair of the Commission precedes the report. The ongoing engagement and constructive advice of the Commission continues to be essential to UNRWA. In accordance with the usual practice, a draft version of the report has also been shared with the Government of Israel.

I am submitting this report against the backdrop of the extraordinary circumstances facing the Agency due to a severe funding crisis that puts at risk the Agency's core services to a population of some 5 million Palestine refugees registered with the Agency. On 3 August 2015, I submitted to the Secretary-General a special report on the Agency's financial crisis. In 2015, UNRWA faces a funding shortfall of $101 million, which calls into question its ability to deliver on all of its core mandate activities absent more sustainable funding from Member States. With shortfalls that have grown steadily over the years, largely owing to the increasing needs and vulnerabilities of Palestine refugees throughout the region, UNRWA has exhausted short-term coping mechanisms that have allowed the Agency to survive financially in recent years. UNRWA has long maintained a high degree of cost-efficiency and effectiveness in the provision of services directly to Palestine refugees and has applied stringent austerity and management measures.

Confronted with an unprecedented financial crisis in 2015, I was forced to seriously consider delaying the start of the 2015-2016 school year for 500,000 children enrolled in 685 UNRWA schools and 7,000 youth enrolled in 8 UNRWA vocational training centres. As a result of a series of special measures that represent the most concerted effort in decades to contain costs, including a series of new austerity measures, combined with extraordinary efforts to secure the required funding and a generous response from donors, including contributions from Arab donors amounting to almost half the funding shortfall, I was in a position to declare the school year open as planned, on 19 August 2015. The Agency received pledges for the resources necessary to sustain the Agency through 2015 based upon a revival of solidarity for Palestine refugees and a renewed understanding of the importance of respecting their rights and addressing their needs. However, I remain deeply aware that more needs to be done by the Agency, hosts and donors to put UNRWA on a more stable financial footing for the future. This is essential to ensure that we can fully and predictably deliver on the mandate to provide for the well-being, protection and human development of Palestine refugees, pending a just resolution of the question of Palestine refugees, especially at a time of growing instability throughout the Middle East. I am resolute in my determination that the Agency shall never again be in the same situation, in which core services required for Palestine refugees are at risk due to a funding shortfall.

The Agency's role as a reliable service provider to Palestine refugees contributes a measure of dignity and stability in the areas in which it operates. While the region is consumed by armed conflicts, growing extremism and expanding threats to the security of States and their citizens, UNRWA provides a measure of stability through its education, health, relief and social services, as well as camp services and infrastructure. The existence of UNRWA and its provision of these quality services to Palestine refugees for 65 years in accordance with the General Assembly mandate — a milestone we marked in New York on 2 June 2015 at the high-level conference on the theme "UNRWA@65: sustaining human development and protecting the rights of Palestine refugees" — has been a core component of the identity and resilience of the community and a remarkable achievement of the United Nations globally in terms of human development. UNRWA and its partners are committed to sustaining those achievements in line with our medium-term strategy for 2016-2021. Adequate, sustained and predictable support from the international community will be essential to implementation of the medium-term strategy.

I note with alarm, however, that Palestine refugees in many places face existential threats and are sinking deeper into poverty and desperation. As the armed conflict in the Syrian Arab Republic continues, deepening one of the worst humanitarian disasters in decades, the 560,000 Palestine refugees registered with the Agency become increasingly vulnerable and dependent upon UNRWA. On 1 April 2015, new armed groups swept into Yarmouk, exposing 18,000 civilians to severe violations of international human rights and humanitarian law, in a context already made unbearable by a prolonged siege, frequent bombardments and extreme violence. I visited Yarmouk in March and was appalled by the devastation and severe human suffering etched into the faces of the people I met. Several thousand managed to flee to neighbouring areas, where UNRWA conducted 25 missions providing food, medical assistance and fresh water. Since 8 June, however, access has been denied, cutting off substantive humanitarian assistance. In August, UNRWA was able to provide some medical services to the surrounding area of Yalda in response to a suspected outbreak

of typhoid, but was not permitted to provide much-needed food, non-food items and water. All 12 Palestine refugee camps in the Syrian Arab Republic are affected by the crisis, which continues unabated, and more than 95 per cent of refugees remaining in the country rely on UNRWA to meet their basic needs. However, funding for our humanitarian activities is declining annually.

In Jordan and Lebanon, which have also been acting as long-term hosts to refugees in difficult circumstances, Palestine refugees from the Syrian Arab Republic suffer marginalization owing to their precarious status: 94 per cent of such refugees in Lebanon and 82 per cent in Jordan rely on UNRWA for basic needs. Palestine refugees fleeing the armed conflict in the Syrian Arab Republic require protection to the same extent as other refugees from the country, and the fundamental principle of non-refoulement must be honoured in line with applicable international standards. Increasing numbers of vulnerable Palestinians leave by unsafe routes, some at the mercy of sea traffickers. The regional protection needs of Palestine refugees are acute and urgent, requiring a concerted, coordinated and sustained response, and UNRWA is committed to providing such a response.

In times of conflict, Palestine refugees are looking to the Agency in particular for essential assistance and protection. UNRWA and its staff faced the consequences of yet another round of intense hostilities in the Gaza Strip in July and August 2014. In addition to the extensive human cost and physical destruction, disregard for the inviolability of United Nations premises cost the lives of 44 Palestinians at designated UNRWA emergency shelters. Eleven staff members died during the hostilities. There are numerous mechanisms that document violations of international law during armed conflict, but the victims of such violations require more than that: they long for justice and accountability. The average primary school student in Gaza has lived through three major conflicts, nearly half the population of Gaza relies on UNRWA food aid and only in July 2015 did the first refugee families begin the reconstruction of their shelters through the Gaza Reconstruction Mechanism. While improvements in the access regime and the Gaza Reconstruction Mechanism should be noted, there will be no meaningful reconstruction or sustainable future without political action to resolve the underlying cause of the situation, in particular the blockade of Gaza and the occupation.

In the West Bank, including East Jerusalem, the occupation continues to adversely define every aspect of the daily lives of youth and camp residents, affecting everything from security and freedom of movement to livelihoods and employment. UNRWA remains very concerned about the increase in fatalities and in the use by Israeli forces of live ammunition in the crowded vicinity of camps. Settlement expansion and settler violence, notably the appalling arson attack near Nablus on 31 July that killed a Palestinian toddler and his parents and critically injured his family, affect numerous refugee communities in the West Bank. Some 7,000 Bedouins, many registered as Palestine refugees, are under threat of being displaced yet again in the context of a possible expansion of the Jerusalem-area E1 settlement block, which raises real concerns with regard to the prohibition of forced evictions and forcible transfer under international law.

The Agency's response to the crises in Gaza, the Syrian Arab Republic and elsewhere, and its delivery of core human development activities would not be possible without the dedication and bravery of its staff, who show extraordinary courage in continuing to work in extremely difficult circumstances. I take this

opportunity to honour fallen colleagues in Gaza, the West Bank and the Syrian Arab Republic and to commend all UNRWA staff for their work and commitment to Palestine refugees. Together we must place UNRWA on a more stable financial footing for the future, so that we protect the dignity and meet the needs of the Palestine refugees we are mandated to serve.

(*Signed*) Pierre **Krähenbühl**
Commissioner-General

Letter dated 16 June 2015 from the Chair of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular session held in Amman on 15 and 16 June 2015, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered your draft annual report on UNRWA activities and operations, covering the period from 1 January 2014 to 31 December 2014, to be submitted to the General Assembly at its forthcoming seventieth session.

The Commission commends UNRWA for its efforts to continue delivering services to Palestine refugees in all fields of operation in accordance with its mandate.

The Commission underlines the vital role UNRWA plays in promoting regional stability until a just and lasting solution of the refugee situation is reached, in accordance with relevant United Nations resolutions (General Assembly resolutions 194 (III) and 302 (IV)). The Commission notes that the number of refugees eligible for UNRWA support now amounts to 5.3 million people and recognizes the important role that Palestine refugees play in the fabric of societies in the region. In this context, the Commission recognizes the ongoing vulnerability and growing needs of Palestine refugees, who, for 67 years now, have been affected by displacement and its consequences. The Commission therefore reiterates its view that the enduring hardship experienced by Palestine refugees underscores the critical role of UNRWA.

The Commission is extremely concerned by the effects that violence has on the Agency's ability to serve the needs of Palestine refugees in areas affected by conflict. The Commission therefore urges all relevant parties to grant access for humanitarian purposes to these refugee populations. The Commission calls on all relevant parties to comply fully with their obligations under international law, including humanitarian law, to respect United Nations resolutions and to enable UNRWA to fulfil its humanitarian obligations without unnecessary hindrance or cost. The Commission asks all relevant parties to refrain from taking any actions that jeopardize the safety, security or neutrality of UNRWA installations and staff. The Commission commends UNRWA staff for continuing to carry out their work under very dangerous and difficult conditions.

The Commission recognizes the additional strain on neighbouring countries resulting from the arrival of Palestine refugees from the Syrian Arab Republic, including 44,000 people in Lebanon, 15,000 people in Jordan and several thousand in other neighbouring countries. It thanks the people and the authorities in those neighbouring countries for their generosity in supporting the refugees and encourages the international community to continue to contribute to these efforts. The Commission notes the Agency's vigorous efforts to fulfil its mandate with respect to the Palestine refugees fleeing from the Syrian Arab Republic and stresses the need for sustained efforts to help the refugees to improve their living conditions in accordance with relevant General Assembly resolutions. The Commission is concerned about the increasing demands on UNRWA in the neighbouring countries and stresses the need to ensure that UNRWA services that are adequate in scope and quality are delivered to the refugees.

The Commission stresses that forced displacement, the destruction of homes and economic assets, the separation barrier, the closure and other restrictions on movement in the West Bank, including in East Jerusalem, imposed by the Israeli authorities have a profound negative effect on the living conditions and well-being of Palestine refugees.

The Commission remains concerned about the level of threats and attacks against UNRWA personnel in conflict areas, in particular threats to, and attacks on, staff while they are delivering services. The Commission remains extremely concerned about the lack of Agency access to, and information on, its staff who have been detained by the relevant authorities and reminds those authorities of their obligations with reference to General Assembly resolution 36/232. The Commission deplores the deaths of UNRWA personnel as a result of conflict and offers its condolences to the families, friends and colleagues of the 11 staff members who lost their lives in Gaza and the 4 staff members who lost their lives in the Syrian Arab Republic in 2014.

The Commission remains concerned about persisting funding shortfalls, in particular for the UNRWA General Fund, which undermine the Agency's efforts to promote human development and meet refugees' needs. In this regard, the Commission notes and recognizes the efforts made by UNRWA to mobilize resources from non-traditional donors and through partnerships. It urges donors — both traditional and non-traditional — and partners to mobilize the resources needed to secure service delivery. In this regard, the Commission also recognizes and supports the efforts by UNRWA management and staff to achieve greater cost efficiency and accountability in serving the needs of the refugee population in accordance with the strategic outcomes. The Commission gives its full support to the Commissioner-General in continuing important reforms while taking into account the financial situation and the concerns of host countries in terms of the impact on services.

The Commission calls on all parties to exert all efforts to sustain the Agency's operations in order to fulfil its mandate. The Commission remains concerned about the fact that multiple escalating crises, constrained resources and economic conditions such as effects from fluctuating exchange rates continue to restrict the Agency's financial resources.

The Commission commends the efforts by UNRWA management in developing the medium-term strategy for 2016-2021 and looks forward to it being made operational by January 2016. In this regard, the Commission welcomes the progress made in transforming the Agency's management systems, improving accountability and enhancing the quality and effectiveness of services for the Palestine refugees. The Commission also notes, in particular, the monitoring framework, which will be implemented together with the medium-term strategy for 2016-2021 and provide UNRWA management with better instruments to assess the effectiveness, efficiency and quality of services delivered.

The Commission commends UNRWA on the field-level consultations that led to the development of the strategic plan, which will be implemented alongside the medium-term strategy for 2016-2021.

The Commission appreciates the commitment and efforts made by UNRWA in order to mainstream gender, disability and protection perspectives into its activities. The Commission supports UNRWA in its efforts to maintain and intensify where necessary its efforts in this regard.

The Commission highly commends the support of host countries, host authorities and donors to the Agency's work and activities.

(*Signed*) Per **Örnéus**
Chair of the Advisory Commission

Chapter I

Contextual overview

A. Political, economic and security developments

1. In 2014, in an increasingly volatile regional environment, violence and marginalization continued to affect Palestine refugees in all five fields of operation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). To a varying degree across the Agency's fields of operation, impediments inhibited Palestine refugees from enjoying their rights under international law. Violence only exacerbates the ongoing vulnerability of a refugee population that has suffered the effects of over six decades of displacement, and whose plight can only be fully resolved by a just and durable solution, in accordance with international law and relevant United Nations resolutions.

2. The situation in the occupied Palestinian territory was marked by the breakdown of peace negotiations between Palestinians and Israelis in April, a major escalation of violence and continued restrictions on rights and opportunities for the territory's 1.9 million registered Palestine refugees. On 2 June, President Mahmoud Abbas announced the formation of a Government of national consensus following a unity agreement on 23 April between Fatah and Hamas. The State of Palestine acceded to 16 multilateral treaties by late 2014, including core human rights treaties.

3. The registered Palestine refugee population in the Gaza Strip stood at 1,276,926 as at 31 December 2014. The hostilities that occurred between 8 July and 26 August 2014 caused widespread loss of life, massive internal displacement and unprecedented damage to homes and infrastructure that "shocked and shamed the world", in the words of the Secretary-General.[1] An estimated 2,251 Palestinians were killed (1,462 civilians), including 538 children and 306 women. Approximately 11,000 injuries were reported and were estimated to have resulted in 1,000 long-term or permanent disabilities.[2] Eleven UNRWA personnel were among those killed. Seventy-two Israelis and one foreigner were killed during the conflict (6 civilians), including one child.[2] At its height, the conflict displaced over 475,000 people in Gaza; nearly 300,000 took shelter in 90 UNRWA schools operating as designated emergency shelters. An estimated 100,000 homes were damaged or destroyed, affecting more than 600,000 people; some 118 UNRWA installations were damaged, including 83 schools and 10 health centres, during the conflict. On seven separate occasions, UNRWA schools that had been sheltering displaced persons were struck directly or in the immediate vicinity by shells or other munitions as a result of Israeli actions, resulting in at least 44 Palestinians being killed and at least 227 injured.

4. Unrelated to the incidents in which UNRWA emergency shelters were struck directly or indirectly, UNRWA found, during its own inspections, weapons placed by Palestinian militants in three empty UNRWA facilities in Gaza. The Agency immediately alerted all relevant parties to their existence, strongly and proactively

[1] Remarks of the Secretary-General to the General Assembly on the situation in Gaza, New York, 6 August 2014.

[2] Office for the Coordination of Humanitarian Affairs, Protection Cluster, Occupied Palestinian Territory, Key Figures on the 2014 Hostilities, available at http://gaza.ochaopt.org/2015/06/key-figures-on-the-2014-hostilities/#_ftn2.

condemned the placement of weapons in Agency schools and conducted its own investigation during the reporting period.

5. At the 12 October conference in Cairo on reconstructing Gaza, some $5 billion was pledged, with UNRWA seeking $1.6 billion. In September 2014, the Office of the United Nations Special Coordinator for the Middle East Peace Process brokered a trilateral agreement between Israel, the Palestinian Authority and the United Nations on a temporary Gaza reconstruction mechanism, allowing for the entry into Gaza of large amounts of basic construction materials and machinery. During the reporting period, while initial progress was made in the repair of homes that sustained light damage, no destroyed homes were rebuilt.

6. Gaza has entered its eighth year of blockade imposed by Israel, which has starved a previously dynamic trade-oriented economy and its capacity to create jobs, and pushed the vast majority of the population into poverty and aid dependency. The almost continuous closure of the border by Egypt further exacerbated the situation. By the end of 2014, the unemployment rate among refugees in Gaza was 40.9 per cent. Ending the blockade, including the almost complete restrictions on exports, is crucial for any sustainable economic recovery to reduce aid dependency in the Gaza Strip.

7. The 774,176 Palestine refugees registered with the Agency in the West Bank continued to endure difficult economic and social conditions. The year began with all UNRWA installations closed, and a halt to virtually all services, owing to industrial action by UNRWA staff in the West Bank. After extensive negotiations and with the support of senior Palestinian officials, including the President and Prime Minister of Palestine, an understanding was reached and the Agency and staff representatives constructively discussed key areas of concern.

8. The abduction and killing of three Israeli youth in the West Bank on 13 June and subsequent killing of a Palestinian youth in East Jerusalem on 2 July were followed by increased tension, clashes and violence. During operations by Israeli security forces in 2014, the use of deadly force in the West Bank continued to increase, with 21 Palestine refugees killed by comparison to 17 in 2013. At least 122 Palestine refugees were injured by the use of live ammunition in and around refugee camps in 2014, an increase of 139 per cent from 2013. An increase in temporary restrictions on Palestinian access to holy sites in Jerusalem, especially Al-Aqsa Mosque, further inflamed tensions. The plans for expansion of settlements also continued. Of special concern to the Agency are Israeli plans to transfer Bedouin communities, a majority of whom are Palestine refugees, from Area C to three townships. If implemented, there are serious concerns that it would be contrary to Israel's obligations under international law, including the prohibition on forcible transfer. In 2014 411 refugees were displaced by demolitions and a total of 150 refugee owned structures were demolished.

9. The crisis in the Syrian Arab Republic has increasingly affected the 528,616 Palestine refugees registered with UNRWA in the country. Since the start of the conflict, 14 UNRWA staff members have been killed and 30 staff have been missing. Many Palestine refugees have been killed or seriously injured by parties to the conflict, including in incidents that affected UNRWA installations, but the Agency is not in a position to verify the total numbers.

10. The Syrian authorities, including the General Administration for Palestinian Arab Refugees, continued to express support for Palestine refugees and to facilitate the work of UNRWA. To help compensate for the lack of access to UNRWA schools, the Ministry of Education continued to grant UNRWA and Palestine refugees use of Government schools in safe areas. However, the intense and pervasive nature of the conflict, and the actions of the parties to it, seriously affected Agency operations in the Syrian Arab Republic. At least 46 of a total of 219 UNRWA schools, clinics and other facilities were damaged during armed engagements. Before the crisis, there were 118 UNRWA schools and 23 UNRWA health centres active in the Syrian Arab Republic. Now, 42 UNRWA schools and 14 UNRWA health centres remain operational. The Agency repeatedly called on all parties to the conflict to abide by their obligations under international law. UNRWA school buildings and the Damascus Training Centre of the Agency continued to serve as temporary accommodation for Syrians and Palestine refugees.

11. Solidifying battle lines have left a mix of situations in the nine official and three unofficial UNRWA camps. In Aleppo governorate, armed conflict remained at high intensity since February 2012. A replacement for UNRWA North Area Office, which was heavily damaged by explosions in December 2013, was identified for use from July 2014 and has remained open, despite considerable risk to staff and their families. From February, humanitarian access improved, as road links between Aleppo and Neirab were reopened, though access continued to be interrupted by clashes throughout 2014. Ein El-Tal camp has remained inaccessible since residents were forcibly displaced by armed groups in April 2013. The camps in central Syrian Arab Republic have been spared becoming a theatre of active conflict, and the UNRWA Central Area Office remains a robust humanitarian presence. The many Palestinians living outside of the camps, however, are affected by the intensification of the impact of the crisis on civilians in Homs. More than 80 per cent of Palestine refugees reside in Damascus and the surrounding suburbs, which continued to suffer intense armed engagements throughout 2014. After near-total closure for more than 12 months, UNRWA was able to intermittently secure humanitarian access into Yarmouk from January, distributing food and health kits to the 18,000 civilians trapped inside. In the last half of the year, however, distribution regularly suffered prolonged interruptions owing to clashes, and the year ended as it began, with humanitarian access prevented by clashes and military restrictions. By contrast, UNRWA was granted access to the Qabr Essit camp, also in the Damascus area, which had been under Government control since 2013. UNRWA was able to restore services and 20,000 Palestine refugees returned.

12. As the Syrian economy further contracted, unemployment, including among Palestine refugees, deepened and poverty rose. Displaced families were forced to rent private accommodation, further depleting their scarce resources. Palestine refugees, like Syrians, were affected by shortages of electricity, fuel and heating oil.

13. Events in the Syrian Arab Republic continued to have significant implications for the operations of the Agency in Jordan and Lebanon. The Agency has recorded approximately 45,000 Palestine refugees from the Syrian Arab Republic in Lebanon and 15,000 in Jordan.

14. Palestine refugees in Lebanon, of whom 452,669 were registered with UNRWA, continued to face acute socioeconomic deprivation and barriers to fully enjoying a broad range of human rights, against the backdrop of an unstable

political and security situation. On 25 May 2014, the term of President Michel Sleiman ended and the presidency remains vacant. UNRWA continued to advocate for Palestine refugees' right to work in Lebanon, which remained highly restricted. The conflict in the Syrian Arab Republic has had a serious impact on Lebanon, with sporadic eruptions of armed clashes involving armed groups linked to the conflict in the Syrian Arab Republic, notably in Tripoli and Arsal. The Palestinian leadership continued to espouse its disassociation from all domestic and regional conflicts. To that end, a security plan has been implemented in the Ein el-Hilweh camp in line with an agreement reached between the Palestinian factions, local factions and the Lebanese authorities. Lebanon is hosting 1.2 million refugees from the Syrian Arab Republic, including 45,000 Palestine refugees. In May 2014, the Lebanese authorities introduced further restrictions to the entry of Palestine refugees from the Syrian Arab Republic into Lebanon. UNRWA has appealed to the Lebanese authorities to uphold the principle of non-refoulement and equal treatment of all refugees in accordance with international standards, and to consider temporary access for Palestine refugees fleeing the war in the Syrian Arab Republic for humanitarian reasons.

15. The Agency operations in Lebanon have been affected by calls from the community for an increase in UNRWA services in response to increased socioeconomic vulnerability of Palestine refugees stemming from the influx of refugees from the Syrian Arab Republic, as well as the prolonged displacement of the Nahr el-Bared population following the camp's destruction in 2007 as a result of the armed conflict that occurred between the Lebanese Army and an extremist militant group known as Fatah al-Islam. As at 31 December 2014, only 50 per cent of the funding required for the reconstruction of Nahr el-Bared had been secured.

16. The Hashemite Kingdom of Jordan has a tradition of hospitality towards refugees, hosting 2,117,361 Palestine refugees registered with the Agency in Jordan, 15,000 refugees from the Syrian Arab Republic and increasing numbers from other countries. While Jordan has remained stable in an increasingly insecure region, this influx of people presents increasing challenges to Jordan's resources and infrastructure. Jordanians and Palestinians suffer from high unemployment and high prices for food, utilities, fuel and rent. In November 2014, poverty rates were 14 per cent country-wide and 31 per cent among Palestine refugees living in camps. The armed conflict in the Syrian Arab Republic continued to fuel security worries and tensions, especially since the rise of Islamic State in Iraq and the Levant (ISIL). The vast majority of Palestine refugees enjoy social, economic and political rights, but a group of Palestine refugees who fled Gaza in 1967, numbering 150,000, is largely excluded from access to Government services and is subject to a range of other restrictions. The same applies to Palestine refugees from the Syrian Arab Republic, many who live in fear of arrest and deportation, especially since the Government announced a policy of non-admission of Palestine refugees from the Syrian Arab Republic in January 2013. The Agency appealed to the Government of Jordan to uphold the principle of non-refoulement and equal treatment of all refugees in accordance with international standards. UNRWA requested the Government to consider temporary access for Palestine refugees fleeing the war in the Syrian Arab Republic for humanitarian reasons.

B. Operational developments

17. Across all fields of operation in 2014, and despite the challenges associated with the dramatic deterioration of the political and security environment, UNRWA continued to provide assistance and protection to Palestine refugees and to persons displaced by the 1967 and subsequent hostilities, in accordance with its mandate.

18. Despite the deterioration of the operational environment, particularly in Gaza and the Syrian Arab Republic, UNRWA continued the delivery of its core services in extremely challenging conditions. It was further able to rapidly engage systems and procedures for the effective delivery of urgent humanitarian assistance by drawing on its operational strengths, including the scale and geographic coverage of its operations, its coordinated and diversified programming and above all its 30,000 strong work force, the majority of whom are Palestine refugees and members of the communities they serve.

19. The Agency succeeded in educating more than 470,000 children, providing access to primary health care services to families comprising 3.5 million individuals, providing social safety net assistance (including cash and food) to 294,000 persons living in poverty, making a positive impact on the lives of 730,000 people through inclusive and participatory infrastructure and camp improvement interventions, and providing learning and skills training to over 4,350 youth. The UNRWA microfinance programme provided almost 35,000 loans valued at $34 million. UNRWA provided emergency shelter, food, cash and environmental health to some 1.38 million persons affected by conflict and displacement in all fields of operation.

20. The hostilities in the Gaza Strip in the summer of 2014 were the third and most destructive conflict in the past six years in that territory. UNRWA supported the entire population of 1.28 million Palestine refugees through humanitarian aid and core services, including primary health care and emergency shelter, as well as educating almost 240,000 students. The Agency estimated a total requirement of $720 million for rebuilding the 100,000 refugee homes that were damaged or destroyed, but only $135 million had been pledged by the end of the reporting period. The conflict caused major setbacks to all programmes, reforms and initiatives. As a result, the Gaza population was pushed into further aid dependency, with 65 per cent of the refugee population dependent on UNRWA for food assistance, compared to only 10 per cent relying on food assistance in 2000.

21. In the West Bank in 2014, there was ongoing confiscation of Palestinian land, increased settlement construction, home demolitions, forced evictions, the revocation of residency rights and obstructed access to land, markets and essential services, as well as frequent detentions carried out by Israeli security forces. In addition to its core programmes, UNRWA provided humanitarian support in the form of cash-for-work opportunities in camps. In partnership with the World Food Programme (WFP), UNRWA introduced food vouchers outside of camps to support food insecure families and distributed food parcels to vulnerable West Bank Bedouin refugee communities.

22. In the Syrian Arab Republic, persistent armed conflict continued to deepen humanitarian needs among Palestine refugees. Of the 560,000 Palestine refugees registered, approximately 480,000 remained in the country. Over 60 per cent of the registered population had been displaced at least once, while a further 80,000 had

been displaced to other countries. By December 2014, 95 per cent of the remaining population was reliant on UNRWA to meet their minimum needs. UNRWA programmes adapted to the growing needs of Palestine refugees. The use of public school buildings allowed UNRWA to continue its provision of education services to over 46,000 children, while UNRWA health centres and health points delivered 955,000 individual consultations. Over 470,000 Palestine refugees were provided with three rounds of emergency cash assistance, supplemented by distribution of food and essential items to over 100,000 families and provision of temporary accommodation to 13,000 displaced Palestine refugees and Syrians, primarily in repurposed UNRWA facilities. In 2014 humanitarian distributions in Yarmouk were re-established, although distributions remained highly intermittent, meeting less than 20 per cent of the minimum food needs of civilians and not meeting vital health needs.

23. UNRWA operations in Lebanon continued to provide basic services and protection to Palestine refugees, who suffer from a lack of rights and social exclusion. The Agency supported the human security and livelihoods of refugees. UNRWA responded to the needs of the displaced residents of Nahr el-Bared through its reconstruction efforts, with 34 per cent of families returned to the camp at the end of the reporting period. In 2014, the number of Palestine refugees from the Syrian Arab Republic approaching UNRWA for assistance in Lebanon declined from 51,000 in January to 45,000 in December, which may be explained by multiple cross-border movements by some refugees affected by new restrictions at the Lebanese border for Palestine refugees from the Syrian Arab Republic. All Palestine refugees from the Syrian Arab Republic continued to have access to UNRWA schools, health clinics and hospitalization through referrals. In July, UNRWA conducted a vulnerability assessment, which showed that 97 per cent of Palestine refugees from the Syrian Arab Republic were dependent on UNRWA cash assistance for food and housing. Refugee demands for increases in UNRWA services resulted in tensions, including sit-ins, closures of installations and threats against staff.

24. In Jordan, UNRWA continued to serve a population of 2.1 million registered persons and an additional 14,911 Palestine refugees from the Syrian Arab Republic. UNRWA services continued to contribute to the human development of refugees and the stability of the country. The Agency responded to emerging challenges, such as increasing numbers of patients with non-communicable diseases. UNRWA also continued to provide basic education to some 117,000 children in its schools and provided higher education and technical and vocational training to some 3,800 youth. While the number of new arrivals of Palestine refugees from the Syrian Arab Republic slowed during the year, an additional 4,000 refugees approached UNRWA for assistance in 2014. Around 185 Palestinian refugees from the Syrian Arab Republic remained housed in Cyber City, a closed facility, where their movements and livelihood opportunities are severely restricted. UNRWA further continued to provide health and education services to Palestine refugees from the Syrian Arab Republic and, despite the challenging operating context, was able to achieve important improvements to its programming through the introduction of vulnerability-based targeting criteria for eligibility of services; a shift from physical cash distributions to electronic cash transfers; and the phase-out of in-kind assistance.

C. Organizational developments

25. On 31 March 2014, Filippo Grandi completed his tenure as the UNRWA Commissioner-General, concluding nine years of service to the Agency. His successor, Pierre Krähenbühl, was appointed by the Secretary-General of the United Nations effective 1 April 2014.

26. During 2014, further progress was made in implementing comprehensive programme reforms to improve medium-term strategic planning, resource mobilization, accountability and the quality and effectiveness of services provided to Palestine refugees.

27. The Agency approach to protection has evolved, and in 2014, the protection function was strengthened across the Agency. UNRWA staff awareness on protection issues increased as a result of trainings, and procedures were improved to measure the results of the Agency protection work.

28. UNRWA continued its efforts to mainstream gender, disability and protection perspectives into its activities, in line with its international obligations. UNRWA is a provider of a range of services to 2.5 million Palestine refugee children. In 2014, UNRWA conducted a study of its approaches to child protection. With a view to enabling barrier-free access to UNRWA installations for all refugees with disabilities, guidance on universal accessibility was developed.

29. The UNRWA family health team approach, in which Palestine refugee families are treated by dedicated medical staff in Agency clinics rather than by a rotating mix of doctors and nurses, was implemented in 99 health centres by the end of 2014 and will be fully rolled out across the Agency's fields of operations by the end of 2015 (excluding the Syrian Arab Republic). UNRWA continued to implement policies to improve access to health services for particularly vulnerable groups, such as HIV-affected people, persons with disabilities, elderly refugees and female-headed households.

30. The implementation of education reform continued, with all fields of operation making substantive progress. The policies of human rights and inclusive education were implemented at the school level. The teacher policy career progression element was implemented from January and professional support units were established in each field from September.

31. Reforms of the Agency's Social Safety Net Programme were implemented in Jordan, Lebanon and the West Bank to enable the use of an accurate and uniform targeting system to select beneficiaries for food and cash assistance, ensuring that the most vulnerable are identified for services.

32. UNRWA completed the first phase of the roll-out of its new online microfinance banking software, with all field and headquarters operations using the system in 2014. UNRWA plans to complete the spin-off of its microfinance programme by 2017, through the creation of a new microfinance foundation. The new microfinance operations will be in compliance with the new microfinance legislation and regulations of central banks and national monetary authorities across the region. The spin-off aims to improve access to microfinance for Palestine refugees and other marginal, poor and low-income households.

33. The infrastructure and camp improvement programme, since its establishment in 2007, has adopted a comprehensive, integrated and participatory urban planning approach to improve the living conditions of Palestine refugees and the built environment in and around camps. In 2014, the infrastructure and camp improvement programme began developing its first programme strategy, including a number of management and information systems related to shelters, UNRWA facilities and camps.

34. In October 2014 UNRWA postponed the "Go Live" implementation of its new enterprise resource planning REACH system from January to April 2015. Work continued on track, which will allow REACH to be launched with minimal risks.

35. In 2014 UNRWA also strengthened its work on ethics, audits, evaluations and investigations. The ethics function underwent an external review and redirected its strategy, allowing it to reach 80 per cent of staff through its e-learning course. Fourteen internal audit reports were undertaken. Four evaluations were issued, leading to an improved approach to medium-term planning and ensuring the impact of the Syrian Arab Republic emergency cash assistance. Field offices were supported in carrying out investigations and establishing intake committees and an investigations hotline was set up.

36. The development of the medium-term strategy for 2016-2021 continued in 2014, involving substantial consultations with donors, host authorities and several hundred headquarters and field staff. The final draft of the strategy was endorsed by the Advisory Commission in November 2014. The strategy presents the UNRWA strategic vision and objectives of for its programmes and operations for the period 2016-2021, with the aim of maximizing its use of resources and the impact of the Agency operations in serving refugees. The strategy will be accompanied by a monitoring framework, to be completed in 2015, to ensure accountability and track progress against commitments.

37. UNRWA continued in 2014 to strengthen its results-based management and enterprise risk management systems. In 2014, UNRWA designed a planning framework for the Agency that will take effect in 2016 to support the new medium-term strategy for 2016-2021. UNRWA will continue to use the six-year strategic planning cycle to enhance stability and to enable the Agency to plan appropriately its human development and humanitarian responses to Palestine refugees. UNRWA will develop strategic plans for the period 2016-2021 for each field of operation, to be implemented through annual operational plans. UNRWA will continue its efforts to progressively achieve greater harmony with the planning cycles and monitoring frameworks in the proposed strategic framework 2014-2015 and in the quadrennial comprehensive policy review.

D. Legal matters

Agency staff

38. Israeli authorities, raising security concerns, continued to restrict the freedom of movement of UNRWA personnel in the occupied Palestinian territory, including East Jerusalem. The restrictions included closures of the West Bank and the Gaza Strip; the prohibition of local staff not resident in Jerusalem from travelling in United Nations vehicles across the Erez crossing or the Allenby Bridge, or from driving in Israel and

East Jerusalem; and time-consuming and cumbersome procedures for obtaining permits for local staff not resident in Jerusalem to enter Israel and East Jerusalem. On many occasions, permits were not granted even though the procedures were followed. Permits to enter East Jerusalem from the rest of the West Bank were not issued to 19 per cent (106 individuals) of the Agency personnel, who needed them, and in many cases no reasons were given for the denials.

39. At the Allenby Bridge, Israeli procedures continued to request searches of United Nations vehicles that would have violated the immunity of the United Nations, unless an occupant held an identification card issued by the Ministry of Foreign Affairs of Israel. The procedures restricted in particular the movement of international staff based at UNRWA headquarters in Amman, to whom the Ministry does not issue such cards.

40. Israeli procedures at the Erez crossing continued to request that United Nations vehicles be submitted to a search that would have violated the immunity of the United Nations, unless the vehicle included a United Nations staff member holding a diplomatic visa or was driven by an international staff member on a limited list approved by the Israeli authorities and updated during the reporting period. Opening hours at the Erez crossing remained restricted, as set out in the previous report. On 61 occasions at various checkpoints in the West Bank, including for entry into East Jerusalem, Israeli authorities demanded a search of an Agency vehicle. While in the majority of cases searches could be avoided through Agency interventions, rerouting or turning back, on 12 occasions searches were carried out. UNRWA protested these searches as a violation of the immunity of the United Nations.

41. The above-mentioned restrictions are inconsistent with the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, relevant United Nations resolutions and the 1967 Comay-Michelmore Agreement, by which the Government of Israel is obligated to facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements that may be necessitated by considerations of military security.

42. UNRWA applied for permits for local staff to enter East Jerusalem for operational and humanitarian reasons only and without prejudice to relevant United Nations resolutions, including resolutions relating to the status of Jerusalem.

43. Israeli authorities maintained that the restrictions were necessary to protect Israel against terrorist threats. Some information was made available to the Agency by the Israeli authorities; however, there was no evidence available to indicate that many of the above restrictions concerning Agency staff and movement were anything other than matters of administrative convenience.

44. In the West Bank, coordination with Israeli military liaison officers continued. However, the officers had limited or no influence over Israeli checkpoints staffed by private contractors, and staff movement continued to be restricted and unpredictable at several checkpoints, notably those controlling access to East Jerusalem or through the West Bank barrier. In 2014, movement restrictions imposed by the Israeli authorities on the West Bank resulted in the loss of 240 staff days. It remained difficult to deliver Agency services in the area between the West Bank barrier and the 1949 armistice line, in particular in the Barta'a area and in three communities near Qalqilya. Since 16 September 2014, Israeli authorities have insisted that

Agency and other United Nations trucks use specific commercial checkpoints to enter Jerusalem, instead of those operated by the Israeli Border Police.

45. Local staff required permits from the Israeli authorities to transit the Erez crossing. During 2014, of a total of 900 applications, 739 permits (82 per cent) were granted. When compared to 2013, the number of permits applied for increased by approximately 50 per cent, while the overall percentage of permit applications rejected increased from 11 per cent to 18 per cent.

46. During the reporting period, the Rafah crossing between Egypt and Gaza was open for public use for a total of 143 of 365 scheduled days. The ban imposed by the United Nations on duty travel for staff members travelling through Rafah remained in place, owing to the security situation in the Sinai. Seven staff members were allowed to cross in September 2014 when these restrictions were temporarily lifted.

47. In Lebanon, the volatile security situation in the Palestine refugee camps in the Saida area and north Lebanon area resulted at times in movement restrictions that affected Agency staff and operations. During 2014, no significant movement restrictions were imposed on UNRWA staff by the Governments of Jordan or Palestine.

48. Eleven UNRWA personnel were killed as a result of the hostilities in July and August 2014 in the Gaza Strip.

49. In the Syrian Arab Republic, armed conflict was widespread, as Syrian Government forces and a variety of armed opposition groups continued to battle across the country. The result was a situation of generalized insecurity, which in turn inhibited free movement and humanitarian access. Four staff members were killed as a result of conflict in 2014, and at least 11 were injured in gunfire or as a result of shelling. Numerous checkpoints remained in place, including in and around Damascus. Agency vehicles were searched at some checkpoints contrary to the immunity of the United Nations. The Agency applied for 55 visas (residency and visit) for international personnel, including renewals; of those, three visas were not granted.

50. At the end of 2014, 24 staff members were in detention: 10 believed to be held by the Syrian authorities or other parties in the Syrian Arab Republic, 6 by the Israeli authorities, 1 by the Palestinian authorities and 1 by the de facto authorities in the Gaza Strip, 1 by the Jordanian authorities and 5 by the Egyptian authorities. Despite Agency requests, in accordance with General Assembly resolution 36/232, in 2014 the Syrian and Egyptian authorities did not provide the Agency with access to its detained staff. Syrian authorities provided reasons for the detention of some UNRWA staff detained in 2014. During the reporting period, the Israeli authorities did not provide access to or information on staff detained by Israel. The Palestinian authorities provided access and information on the reasons of detention of the staff members in detention at the end of 2014. The Jordanian authorities provided information on one detained staff member.

Agency services and premises

51. The Israeli authorities continued to impose transit charges on shipments entering the Gaza Strip, forcing UNRWA to pay $691,135 in 2014. In the view of the Agency, the charge is a direct tax, from which it ought to be exempt under the 1946 Convention. In the view of Israel, the charges were a fee for services and therefore

there was no exemption. The Kerem Shalom crossing remained the sole crossing for UNRWA imports to enter the Gaza Strip, as reported in the previous annual report. It was closed for imports for 17 days out of 233 scheduled operating days (7.2 per cent). The continuing closure of the Karni crossing and the requirement to palletize all container shipments contributed to increased expenditure in the form of charges for storage, demurrage, transportation and palletization amounting to some $7.42 million, including some $2.2 million for palletization costs. Additional relevant costs for the period July-December 2014, which were directly attributable to the hostilities in July and August 2014 in the Gaza Strip, totalled some $2.1 million.

52. As a result of the amended framework between Israel and the United Nations agreed on 4 December 2013, stricter conditions were imposed on UNRWA regarding the monitoring of construction material. UNRWA was required to recruit an additional international staff member (in addition to using its extant international staff workforce) and local staff engineers and security guards to meet the newly imposed daily monitoring requirements. It was also required to provide the Israeli Coordination and Liaison Administration to the Gaza Strip and the Coordinator of Government Activities in the Territories with additional documentary material to facilitate Israeli monitoring of construction projects. In 2014 alone, additional staffing, transit and logistical costs resulting from Israeli requirements regarding access and monitoring regarding all Agency imports into the Gaza Strip amounted to over $7.5 million. This is equivalent to the cost of building four UNRWA schools or distributing food to 868,000 beneficiaries for five weeks. The $7.5 million excludes inflation and transitional shelter cash assistance paid to those awaiting new shelter.

53. Prior to the hostilities in July and August 2014 in the Gaza Strip, UNRWA had been engaging in a time consuming and cumbersome process to obtain Israeli reapprovals of previously approved construction projects. Until June 2014, while UNRWA had received reapprovals for 27 previously approved projects, only one new project was approved. Following the hostilities in July and August 2014, all remaining projects pending approval (5) or reapproval (4) and 23 new UNRWA projects were approved.

54. Israeli authorities continued to require standards testing for educational, electronic, medical and other items for official use. UNRWA imports goods for its official use that conform to international standards, and the United Nations considers that the Israeli requirements were contrary to the exemption under the 1946 Convention from prohibitions and restrictions on imports in respect of articles imported by the United Nations for its official use. As at the end of the reporting period, 15 consignments destined for the West Bank were still detained, with the duration of detention ranging between three and five years for each consignment. The total storage costs for consignments delayed during the reporting period exceeded $123,500. The issue remained unresolved as at the end of the reporting period.

55. The Operations Support Officer programme continued in the West Bank, Lebanon and the Gaza Strip. During the hostilities of July through August 2014, the security environment prevented the programme from fully operating in the Gaza Strip. The programme played an invaluable role in upholding United Nations neutrality as a matter of primacy; in the inspection of UNRWA installations; in facilitating access for UNRWA staff members, vehicles and goods through checkpoints and, in the occupied Palestinian territory, to areas affected by Israeli military or security operations; in supporting the Agency programmes and initiatives;

in monitoring, documenting and intervening at the operational level on protection issues related to the humanitarian situation of the Palestinian population; and in providing protection, including through legal aid assistance in Lebanon, to Palestine refugees, in particular those displaced from the Syrian Arab Republic. They are actively engaged in supporting the implementation of reform initiatives in Lebanon. Their core objective is to help deliver improved quality services to the refugees, in an equitable, non-discriminatory and neutral manner. They also systematically identify protection needs and find ways to address them, as well as mainstream protection standards into all UNRWA services. During the reporting period, the establishment of an Operations Support Office programme in Jordan was initiated.

56. The 1946 Convention provides that the premises of the United Nations shall be inviolable. Contrary to that obligation, the Israeli military and security forces entered UNRWA premises in the West Bank without authorization or coordination on five occasions. On at least 50 occasions, tear gas canisters, stun grenades, "skunk water", plastic-coated metal bullets and/or live ammunition deployed by the Israeli security forces landed in UNRWA compounds or damaged UNRWA installations, resulting in the injury of one UNRWA staff member and three UNRWA beneficiaries and staff and beneficiaries suffering from tear gas inhalation. In the Gaza Strip some 184 protests were organized by beneficiaries and other organizations, a number of which forced the closure of UNRWA offices. The protests at the beginning of 2014 were predominantly a response to the announcement of the poverty survey results. From August 2014 onwards, the protests were predominantly related to the conflict recovery and reconstruction process following the hostilities in July and August 2014 in the Gaza Strip. As at 31 December 2014, UNRWA ran 18 collective centres (emergency shelters located in UNRWA school buildings) in the Gaza Strip in which approximately 18,861 internally displaced persons were provided with accommodation, shelter, food and non-food items.

57. During the hostilities in July and August 2014 in the Gaza Strip, some 118 UNRWA installations were indirectly or directly damaged by conflict-related activity. On 1 August 2014, the United Nations informed Israel that owing to declarations of "no-go" zones and evacuation warnings by the former, the United Nations would no longer have access to its premises in the relevant areas but expected the parties to respect and ensure respect for the inviolability of its premises.

58. Despite enhanced coordination mechanisms in place, on seven separate occasions, UNRWA schools — including six active designated emergency shelters and one evacuated shelter — of whose exact positions the Agency had notified the Israeli authorities, were either hit or struck nearby by Israeli shells or other munitions. In the three most egregious of those incidents, people were killed and injured. One UNRWA staff member and two other personnel were killed in two incidents. On 10 November 2014, the Secretary-General announced the establishment of a United Nations board of inquiry at Headquarters to investigate the seven incidents, among other incidents. The following table sets out details of the seven incidents and the number of deaths and injuries at the relevant UNRWA installation.

Incidents relating to UNRWA

Incident investigated	*Number of deaths at UNRWA installation*
Injuries occurring at and damage done to the UNRWA Maghazi Preparatory Girls "A/B" School on 21 and 22 July 2014	0 deaths; 2 persons injured
Injury occurring at and damage done to UNRWA Deir El Balah Preparatory Girls "C" School on 23 July 2014	0 deaths; 3 persons injured
Deaths and injuries occurring at and damage done to the UNRWA Beit Hanoun Elementary Co-education "A" and "D" School on 24 July 2014	Between 12 and 14 persons killed; 93 persons injured
Injuries occurring at and damage done to Zaitoun Preparatory Girls "B" School on 28 and 29 July 2014	0 deaths; 7 persons injured
Deaths and injuries occurring at and damage done to the UNRWA Jabalia Elementary Girls "A" and "B" School on 30 July 2014	Between 17 and 18 persons killed, including 2 UNRWA staff members; 99 persons injured
Deaths and injuries occurring at and/or in the immediate vicinity of, and damage done to, the UNRWA Rafah Preparatory Boys "A" School on 3 August 2014	15 persons killed, including 1 UNRWA staff member; between 25 and 30 persons injured
Total	**At least 44 persons killed; at least 227 persons injured**

59. In addition to the above-mentioned incidents, on or around 28 July 2014, one school block of the UNRWA Khuza'a Elementary College Co-educational "A" and "B" school was demolished by Israel Defense Forces bulldozers and another block was damaged by an Israeli projectile. The board of inquiry established by the Secretary-General investigated this incident. During this conflict period, weapons or alleged weapons components were placed in three empty UNRWA facilities in the Gaza Strip by Palestinian militant armed groups. Following its discovery of these components during its inspections, UNRWA alerted all relevant parties to their existence, and strongly and proactively condemned the placement of weapons in its schools as a violation of international law and launched an internal inquiry. The board of inquiry established by the Secretary-General investigated these incidents. UNRWA has worked with United Nations partners to improve procedures to address such violations of inviolability, in a manner that does not compromise the safety of staff or other civilians, including UNRWA beneficiaries.

60. During and following the hostilities, UNRWA undertook investigations and documented specific incidents where UNRWA installations were affected by the hostilities in contravention of the inviolability of United Nations premises. The Commissioner-General provided information on these incidents in briefings to the Security Council and the General Assembly on 31 July 2014 and 7 August 2014, respectively. During the reporting period, the Agency cooperated with the board of inquiry established by the Secretary-General and the Commission of Inquiry established by the United Nations Human Rights Council. The Agency participated in the special session of the Human Rights Council, convened on 23 July 2014, and in the Conference of the High Contracting Parties to the Fourth Geneva Convention, convened on 17 December 2014. The Agency provided a briefing to the Human Rights Committee on 10 October 2014.

61. The Israel Defense Forces have established a general staff mechanism for fact-finding assessments to examine exceptional incidents that occurred during the

hostilities and to provide relevant information to the Israeli Military Advocate General for decisions regarding whether or not criminal investigations should be opened. As at the end of the reporting period investigations were ongoing and contacts between UNRWA and the relevant Israeli mechanism had been made.

62. In the West Bank, there were three misuses of UNRWA installations for unauthorized political or other events involving officials of the Government of Palestine, Palestine Liberation Organization (PLO) factions, PLO camp services committee members or other actors. In addition, PLO camp services committee members, PLO factions and/or Palestinian Authority municipalities and village councils closed or otherwise interrupted work at an UNRWA installation on 29 separate occasions, some lasting for over a month, as part of protests relating to changes in UNRWA programming.

63. In the Syrian Arab Republic, the Agency has sustained conflict-related property losses provisionally estimated at around several million dollars since hostilities began in 2011. Since 2011, at least 48 of 180 UNRWA facilities have been either damaged or destroyed, and 22 vehicles have been damaged, destroyed or stolen by parties to the conflict. During the reporting period, nine UNRWA facilities sustained damage as a result of weapons fire: three in Damascus governorate; three in Dara'a governorate and three in Aleppo governorate. Damage to and lack of safe access to UNRWA facilities has made it more difficult for Palestine refugees to obtain essential services.

64. In the Syrian Arab Republic the Agency received several reports in the course of the year of the temporary presence of armed elements in UNRWA facilities, notably in Yarmouk, Hajr al-Aswad, Dara'a camp and Ein el-Tal. These reports could not be verified as no safe access to those facilities was possible. Despite protests, the UNRWA Sanitation Office in Khan Danoun continued to be used by the authorities at the adjacent checkpoint. In the Syrian Arab Republic the Agency also lost small quantities of humanitarian aid to armed theft, typically while it was being transported to Palestine refugees. Such incidents were infrequent and total losses were substantially below 1 per cent of the value of assistance delivered.

65. In Lebanon, there were 150 days of closures of different UNRWA installations throughout the year. This was mainly owing to the protests of discontented beneficiaries, but also to civil unrest and armed factional fighting. UNRWA is working with the community to minimize the closure of essential installations, such as schools. In Jordan, on one occasion, the Agency prevented a political rally from being held at an UNRWA installation, and, on another occasion, police authorities arrested an individual within UNRWA premises.

Other matters

66. In August 2013, UNRWA agreed with the Palestine Ministry of Finance on new procedures to seek UNRWA valued-added tax exemptions and arrived at an understanding concerning exemption of value-added tax in Gaza. Arrears due to the Agency of $90.9 million for services and goods procured for the West Bank and Gaza are outstanding for value-added tax accrued prior to these arrangements. Value-added tax outstanding in relation to the 2014 financial year totalled $6.76 million, with a total outstanding of approximately $97.7 million as at 31 December 2014.

67. The Agency was required, as in the past, to pay port fees and other charges to the Syrian authorities, contrary to the 1948 Agreement between the United Nations and the Government of the Syrian Arab Republic. In 2014, fees and charges totalling $32,608 were paid.

68. On 15 February 2012, approximately $74,000 was seized from the Agency HSBC Bank account in Jordan on the basis of an order by the Jordanian Execution Office. Despite numerous requests and protests to the Government before and after the seizure of funds, the funds had not been returned at the end of the reporting period.

69. The funds seized by the Government of Lebanon in 2013 in the sum of $680,000 were not returned.

70. The Agency continued to face difficulties in obtaining exemptions from customs and other governmental fees from the Customs Department of the Ministry of Finance of Jordan for importation of vehicles for official use. UNRWA considers these restrictions to be contrary to the Agency's exemption from restrictions on imports under the 1946 Convention and its 1951 bilateral agreement with Jordan. Jordan considers that these charges are fees for services. Since 2012, the Drivers and Vehicles Licensing Department of the Ministry of Finance of Jordan has requested payment of fees for inspection and registration cards for UNRWA official vehicles, which the Agency protested as constituting a direct tax from which it is exempt under the 1946 Convention. UNRWA paid the inspection and registration card fees under protest in the absence of any Government response. The Agency also faced delays in obtaining construction permits for Agency installations.

71. UNRWA continued to dispute any liability for payment demanded by the Government of Lebanon in the sum of $141.22 million for electricity consumed by Palestine refugees outside of UNRWA installations in camps in Lebanon.

72. In relation to the internal justice system, the UNRWA Dispute Tribunal, which was established on 1 June 2010, operates on a full-time basis and is comprised of one judge and a part-time ad litem judge. During the reporting period, the Tribunal issued 54 judgments and 129 orders, disposing of 67 cases. As at the end of the reporting period, there were 66 cases pending, of which 63 were filed by area staff and 2 were pending on remand from the United Nations Appeals Tribunal. There were also 14 appeals pending before the United Nations Appeals Tribunal.

Legal status of Palestine refugees in the Agency area of operations

73. The legal status of Palestine refugees in Jordan, the Syrian Arab Republic, the West Bank and the Gaza Strip remained substantially the same as that described in the report of the Commissioner-General for 2008.[3]

74. Further to the matters set out in previous reports concerning the right to work, there were no notable developments during the reporting period. Palestine refugees continue to be barred from exercising several syndicated professions and restrictions remain in place on the right of Palestine refugees to own and inherit property in Lebanon.

[3] See A/64/13, paras. 52-55.

75. Further to the matters set out in previous reports,[4] Palestine refugees from the Syrian Arab Republic in Jordan continued to face discriminatory restrictions and forcible return. In contrast to other refugees fleeing the conflict in the Syrian Arab Republic, Palestine refugees from the Syrian Arab Republic also faced difficulties in accessing courts and civil status/registration processes, such as the issuance of birth certificates, as well as employment and basic services. Some Palestine refugees from the Syrian Arab Republic continue to be held in a specific facility and face greater restrictions on their movement outside the facility in comparison with Syrians held in equivalent facilities.

E. Financial overview

76. With the exception of 150 international staff posts funded by the General Assembly through the United Nations regular budget, UNRWA operations are funded by the voluntary contributions of donors. The Agency receives funding through three primary portals: (i) a general fund that supports the Agency's core operations (including recurrent staff and non-staff costs), such as its education, health, camp improvement, and relief and social services programmes, as well as support systems and structures; (ii) funding for specific, time-bound projects with a view to improving services without increasing recurrent costs; and (iii) funding in response to emergency appeals for humanitarian interventions.

77. UNRWA substantially widened its donor base, strengthened its relations with Arab donors, engaged new private partners, built its presence in emerging markets and deepened relations with traditional donors. In 2014, the Agency resource mobilization efforts yielded positive results overall, with a total pledged amount of $1.3 billion; an increase from the 2013 pledge of $1.2 billion. Arab donors substantially contributed to the overall budget with a total pledge of $218.5 million in 2014. Contributions from Arab private donors nearly doubled to 4.5 per cent (nearly $60 million) in 2014, while the overall income from other private partners tripled to 2.5 per cent in 2014 ($33.5 million).

78. At the same time, there was a vast increase in needs, exacerbated by the continued conflict in the Syrian Arab Republic and the summer conflict in Gaza. The 2014 UNRWA Syria Emergency Appeal called for $417.4 million; many donors responded generously, funding 52 per cent of the appeal through 31 December 2014. In the occupied Palestinian territory, the Agency continued to provide basic humanitarian assistance through an emergency appeal for $300 million, which by year end was funded 43.2 per cent. After the conflict in Gaza, UNRWA launched a flash appeal for $295.4 million, which was funded by year end at $161.9 million (54.8 per cent).

79. Based on unaudited financial statements, in 2014 the Agency expended $1.3 billion. The largest expenditure was $669.7 million under the unrestricted regular budget, accounting for 52.1 per cent of total expenditure. Restricted fund activities, emergency activities and projects accounted for 3.7 per cent, 18.3 per cent and 25.1 per cent, respectively. Education remained the largest programme

[4] Palestinians have been denied access to Jordan since 2012, when the Jordanian authorities made it harder for Palestinian refugees from the Syrian Arab Republic to enter the country, before announcing the policy officially in January 2013.

funded from the general fund, with an expenditure of $401.0 million (59.9 per cent of the total unrestricted regular budget).

80. Inadequate funding forced the Agency to implement austerity measures, including reductions in travel and suspension of capital expenditure, including information technology, vehicles and equipment replacement and maintenance of buildings.

Table 1

Actual expenditure by field of operations and programme, 2014

(Thousands of United States dollars)

General fund	*Gaza*	*(Percentage)*	*Jordan*	*(Percentage)*	*Lebanon*	*(Percentage)*	*Syrian Arab Republic*	*(Percentage)*	*West Bank*	*(Percentage)*	*Headquarters*	*(Percentage)*	*Total*	*(Percentage)*
Education	172 584	25.8	96 492	14.4	45 927	6.9	18 695	2.8	65 023	9.7	2 277	0.3	400 998	59.9
Health	23 789	3.6	24 672	3.7	20 407	3.0	4 466	0.7	31 287	4.7	767	0.1	105 388	15.7
Infrastructure	4 317	0.6	501	0.1	5 260	0.8	962	0.1	1 087	0.2	1 487	0.2	13 614	2.0
Relief and social services	11 045	1.6	6 776	1.0	8 999	1.3	2 880	0.4	7 632	1.1	1 245	0.2	38 577	5.8
Executive and support	21 158	3.2	9 710	1.4	11 156	1.7	5 323	0.8	17 986	2.7	45 824	6.8	111 157	16.6
Grand total	**232 893**	**34.8**	**138 151**	**20.6**	**91 749**	**13.7**	**32 326**	**4.8**	**123 015**	**18.4**	**51 600**	**7.7**	**669 734**	**100.0**

All funding streams	*Gaza*	*(Percentage)*	*Jordan*	*(Percentage)*	*Lebanon*	*(Percentage)*	*Syrian Arab Republic*	*(Percentage)*	*West Bank*	*(Percentage)*	*Headquarters*	*(Percentage)*	*Total*	*(Percentage)*
Education programme	197 364	15.1	99 803	7.6	57 580	4.4	36 180	2.8	72 464	5.5	3 776	0.3	467 167	35.6
Health programme	33 369	2.5	25 595	2.0	29 983	2.3	12 116	0.9	35 756	2.7	1 479	0.1	138 298	10.5
Infrastructure and camp improvement programme	6 445	0.5	501	0.0	12 576	1.0	1 890	0.1	3 238	0.2	1 605	0.1	26 255	2.0
Relief and social services programme	210 241	16.0	19 173	1.5	91 620	7.0	137 751	10.5	25 501	1.9	1 528	0.1	485 814	37.0
Executive and support programme	68 436	5.2	10 295	0.8	18 172	1.4	21 951	1.7	24 966	1.9	49 937	3.8	193 757	14.8
Grand total	**515 855**	**39.3**	**155 367**	**11.8**	**209 931**	**16.0**	**209 888**	**16.0**	**161 925**	**12.3**	**58 325**	**4.4**	**1 311 291**	**100.0**

Table 2

Actual expenditure by strategic goal

(Thousands of United States dollars)

General fund	*Gaza*	*(Percentage)*	*Jordan*	*(Percentage)*	*Lebanon*	*(Percentage)*	*Syrian Arab Republic*	*(Percentage)*	*West Bank*	*(Percentage)*	*Headquarters*	*(Percentage)*	*Total*	*(Percentage)*
A long and healthy life	22 996	3.4	24 672	3.7	25 122	3.8	5 191	0.8	31 293	4.7	1 562	0.2	110 836	16.5
Acquired knowledge and skills	168 149	25.1	90 143	13.5	42 126	6.3	17 360	2.6	58 523	8.7	2 242	0.3	378 543	56.5
A decent standard of living	19 414	2.9	12 151	1.8	12 431	1.9	3 311	0.5	13 353	2.0	1 719	0.3	62 379	9.3
Human rights enjoyed	1 389	0.2	973	0.1	373	0.1	748	0.1	833	0.1	254	0.0	4 570	0.7
Management and operational effectiveness	20 945	3.1	10 212	1.5	11 697	1.7	5 716	0.9	19 013	2.8	45 823	6.8	113 406	16.9
Grand total	**232 893**	**34.8**	**138 151**	**20.6**	**91 749**	**13.7**	**32 326**	**4.8**	**123 015**	**18.4**	**51 600**	**7.7**	**669 734**	**100.0**

All funding streams	*Gaza*	*(Percentage)*	*Jordan*	*(Percentage)*	*Lebanon*	*(Percentage)*	*Syrian Arab Republic*	*(Percentage)*	*West Bank*	*(Percentage)*	*Headquarters*	*(Percentage)*	*Total*	*(Percentage)*
A long and healthy life	31 738	2.4	25 595	2.0	38 143	2.9	13 113	1.0	38 490	2.9	2 274	0.2	149 353	11.4
Acquired knowledge and skills	197 562	15.1	93 265	7.1	51 023	3.9	33 449	2.6	61 425	4.7	3 520	0.3	440 244	33.6
A decent standard of living	226 963	17.3	23 960	1.8	98 487	7.5	131 113	10.0	36 256	2.8	2 042	0.2	518 821	39.6
Human rights enjoyed	4 717	0.4	1 764	0.1	466	0.0	9 146	0.7	2 650	0.2	553	0.0	19 296	1.5
Management and operational effectiveness	54 876	4.2	10 785	0.8	21 812	1.7	23 067	1.8	23 103	1.8	49 936	3.8	183 579	14.0
Grand total	**515 856**	**39.3**	**155 369**	**11.8**	**209 931**	**16.0**	**209 888**	**16.0**	**161 924**	**12.3**	**58 325**	**4.4**	**1 311 293**	**100.0**

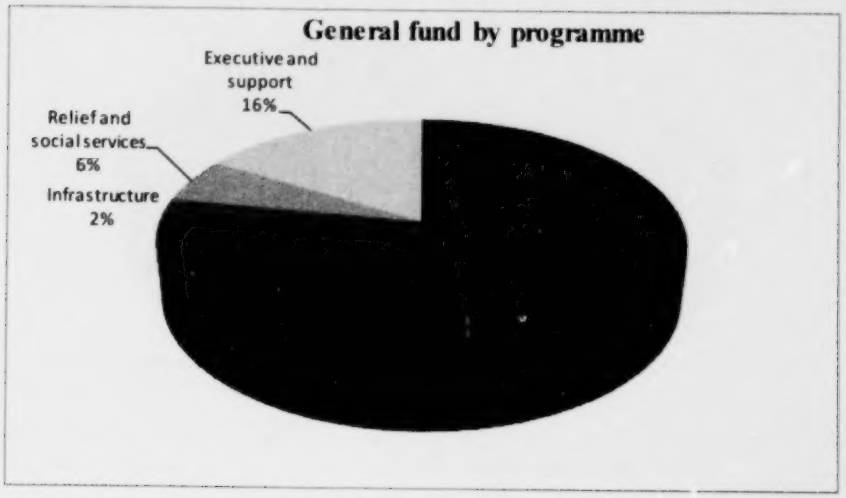
Figure I

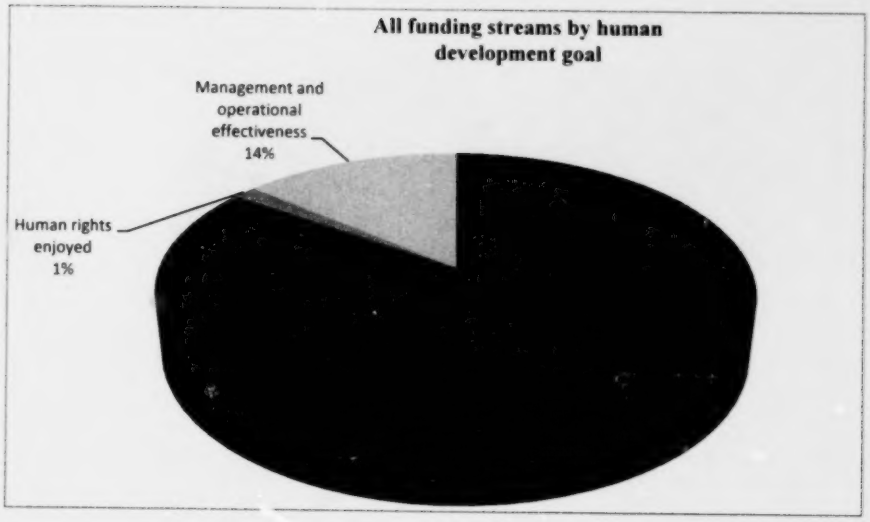
Actual expenditure by programme and field of operation (all funding streams)

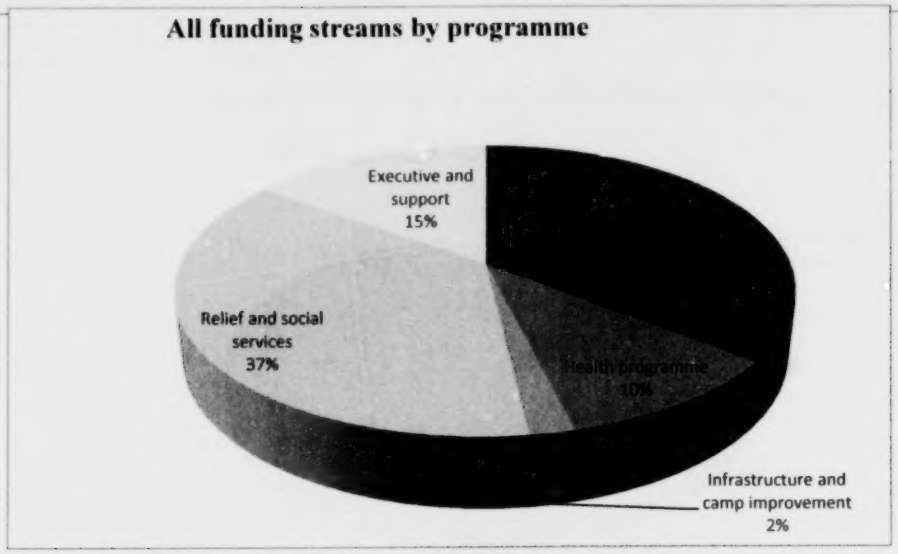
(In United States dollars)

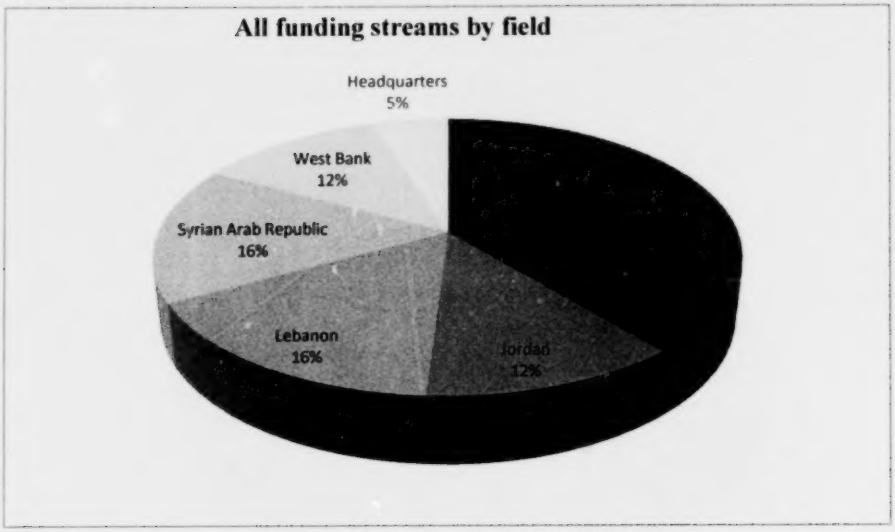
Figure II

Actual expenditure by field of operation, programme and strategic goal






All funding streams by programme
Executive and support 15%
Relief and social services 37%
Health programme 10%
Infrastructure and camp improvement 2%


All funding streams by field
Headquarters 5%
West Bank 12%
Syrian Arab Republic 16%
Lebanon 16%
Jordan 12%

Chapter II
Field priorities

A. Gaza Strip

81. In 2014 UNRWA prioritized humanitarian assistance to thousands of displaced refugees in Gaza, including the repair and reconstruction of damaged homes. In the context of the conflict and its aftermath, another key concern was child protection. On average, more than 10 Palestinian children were killed in Gaza every day during the hostilities. At the peak of the internally displaced person (IDP) crisis, around 150,000 children sought refuge in UNRWA shelters. Food insecurity in Gaza is primarily caused by a lack of economic access to food rather than unavailability. Widespread poverty, caused by high unemployment, low wages and elevated food prices, is a direct consequence of the blockade. Another major humanitarian priority was the continuation of the food assistance programme to 868,000 people. Technology is the only sector not crippled by the blockade, and in 2014 UNRWA secured donor support for the social enterprise Gaza Gateway, which combines skills development with service delivery to strengthen recent graduates' employability, and introduces new buyers to Gaza's information and communications technology industry. Finally, educating almost 240,000 UNRWA students in 252 schools in Gaza remained paramount. However, 90 per cent of the schools continued to run on double shift.

B. West Bank

82. In addition to the Safety Social Net Programme caseload of 36,129 refugee households, humanitarian-funded interventions supported 13,200 poor refugee households through cash-for-work opportunities or food vouchers. The family health team model was implemented in 35 of the 42 West Bank health clinics or focal points, while the family protection programme and gender-based violence referral system was introduced in all 19 refugee camps. The health team also managed to reduce the cost of hospitalization referrals by more than $900,000 (19 per cent of the budget). Primary education was provided to 50,566 students, with almost 5,200 students benefiting from remedial education and dyslexia-related services. To ensure that its services were provided in an equitable and dignified manner to all refugees, UNRWA continued its protection mainstreaming efforts in the West Bank with particular focus on improving food distribution standards, including special provisions for women and persons with disabilities, and training for UNRWA staff members on protection standards.

C. Syrian Arab Republic

83. In the context of growing and deepening needs, UNRWA prioritized the strengthening and expansion of critical services and assistance in the Syrian Arab Republic. With 9 health centres damaged, destroyed or otherwise inaccessible, UNRWA established 10 new health points to serve displaced refugee communities throughout the country. Use of 43 Government school buildings allowed UNRWA to almost double enrolment rates among Palestine refugee children, from 24,000 in 2013 to 46,000, while the deployment of innovative learning modalities (such as self-learning, Internet

modules and televised lessons) reached children who could not access classes. Cash assistance was expanded from two rounds of $42 per person in 2013 to three rounds of $64 per person. UNRWA distributed cash assistance in Damascus, Aleppo, Dara'a, Homs, Hama and Ladhiqiyah, even in areas where humanitarian access was ordinarily impossible. In Yarmouk, UNRWA provided over 32,000 food parcels, 10,000 hygiene kits and 7,000 medical consultations to the 18,000 civilians trapped there. The Agency also seized opportunities to conduct limited recovery activities in more stable areas, such as Qabr Essit camp, rehabilitating UNRWA facilities and restoring essential services. The Area Support Officer team, responsible for supporting the management of UNRWA operations in each area of the Syrian Arab Republic and coordinating protection support for the most vulnerable Palestine refugees, was recruited in late 2014.

D. Lebanon

84. The implementation of the family health team approach was completed in all 27 health centres. Through the Agency-wide Education in Emergency response, the Lebanon field of operations supported education for Palestine refugee students from the Syrian Arab Republic, by including up to 7,300 students in its regular classes. UNRWA provides vocational training to approximately 1,200 young men and women annually. The Siblin Vocational Training Centre was granted an establishment license towards accreditation from the Government of Lebanon in June 2014, which will increase opportunities for Palestine refugee youth through improved access to higher education and employment. The Social Safety Net Programme in Lebanon provided assistance to 61,709 eligible persons; however, more than 7,000 who are eligible could not be served and still more are expected to seek assistance, reflecting the worsening socioeconomic position of Palestine refugees in Lebanon. UNRWA has undertaken large-scale rehabilitation and camp improvement initiatives in Palestine refugee camps in Lebanon, focusing on Nahr el-Bared, Rashidieh and Ein El Hilweh camps.

E. Jordan

85. Jordan field operations continued implementing health reform, yet failed to roll out the family health team approach in all 24 health centres because of inadequate funding. Roll-out in the remaining six health centres will take place during 2015. Education reform continued through the roll-out of the school-based teacher development training, reaching one quarter of all 4,450 teachers, while agreements were reached on the future staffing structure for newly created reform support functions. In 2014, the relief programme introduced a "case management" approach that acknowledges the complex drivers of vulnerability and provides individually tailored support to refugees beyond the distribution of cash and food. A review of the management and investment strategies for revenues generated through the education and technical and vocational education training programmes through fee-based services (valued at $2 million annually) will be further pursued in 2015. UNRWA continued to provide assistance to Palestine refugees from the Syrian Arab Republic. The Agency was able to ensure good access to health services for Palestine refugees from the Syrian Arab Republic, who are eligible to access primary services at the 24 UNRWA health centres, with 97 per cent reporting that they had no problems

accessing the medical care they needed. Some 2,100 children from the Syrian Arab Republic enrolled in UNRWA schools in 2014.

Chapter III

Subprogramme review presented within the framework of the human development goals of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

86. UNRWA continues to follow the framework set out in its medium-term strategy for 2010-2015. The strategy provides direction for the Agency on the basis of 15 strategic objectives, each of which contributes to one or more of four human development goals: a long and healthy life; acquired knowledge and skills; a decent standard of living; and human rights enjoyed to the fullest. In 2014, UNRWA field offices and headquarters departments worked towards biennium targets set out in field and headquarters implementation plans that are based on the six-year strategic vision of the Agency and a refugee needs assessment conducted by each field office.

A. Goal 1
A long and healthy life

87. UNRWA aims to achieve the human development goal of ensuring that Palestine refugees lead long and healthy lives through interventions by its health programme and the infrastructure and camp improvement programme, in collaboration with host countries and national and international partners, where applicable.

88. In 2014, UNRWA continued to deliver primary health care to Palestine refugees through 137 health centres. Despite health gains in maternal, neonatal, infant and child mortality, non-communicable diseases are contributing to a mounting disease burden, which is costly to treat and manage. In response, UNRWA made further progress in rolling out its health reforms, including the family health team approach and health management information system ("e-Health"). By the end of 2014, 99 of the 115 UNRWA health centres (excluding the Syrian Arab Republic) had successfully implemented the family health team reform; 14 health centres were implementing the family health team e-Health package, while 72 were implementing a version of the classic e-Health package. Improvements in health centre organization, patient wait times and patient-staff satisfaction were evident, in addition to decreases in health centre staff workloads.

89. The 2014 conflict in Gaza caused devastating damage and, owing to safety concerns, an average of 7 of the 20 of health centres were closed for the duration of hostilities.

90. The ongoing conflict in the Syrian Arab Republic continued to create additional demands for UNRWA health services in that field of operation, as well as in Lebanon and Jordan. Of the 23 health centres in the Syrian Arab Republic, 8 remained closed in 2014, while 12 health points were operating in the country to improve access.

91. Rehabilitation or replacement of most defective parts of the water supply, sewerage and drainage systems in priority areas across field operations was implemented. More resources are required to improve the adequacy of networks.

Strategic objective 1
To ensure universal access to quality, comprehensive primary health care

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Universal access to quality, comprehensive primary health care	Antibiotic prescription rate	Baseline (2013)	24.6
		Target (2014)	25.5
		Actual (2014)	26.2

Strategic objective 2
To protect and promote family health

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Sustained protection and promotion of family health	Infant mortality rate[a]	Baseline (2013)	22.0
		Target (2014)	22.0
		Actual (2014)	20.4

[a] Excluding the Syrian Arab Republic.

Strategic objective 3
To prevent and control diseases

		Measurement	
Expected accomplishment	*Indicators of achievement*	*Unit of measure*	*Percentage*
Improved alignment of communicable disease prevalence with host authorities	(i) Immunization coverage rate against vaccine-preventable diseases	Baseline (2013)	99.3
		Target (2014)	99.5
		Actual (2014)	98.9
	(ii) Percentage of shelters	Baseline (2013)	99.9
		Target (2014)	99.9
		Actual (2014)	100[a]
	(iii) Percentage of shelters formally connected to the public sewerage network	Baseline (2013)	87.0[b]
		Target (2014)	85.6
		Actual (2014)	86.6[a]

[a] Excluding the Syrian Arab Republic.
[b] Including the Syrian Arab Republic; figure excluding the Syrian Arab Republic is 84.0.

Outputs

- Provision of 9.3 million outpatient medical consultations to Palestine refugees, of which 169,000 were consultations with specialists for the treatment of acute and chronic diseases
- Over 983,000 health consultations provided in the Syrian Arab Republic, despite ongoing conflict and insecurity

- Subsidies provided to 93,810 patients for hospitalization for secondary or tertiary health care
- Antenatal, post-natal and family planning services for approximately 311,031 clients
- Screening for hypertension and diabetes mellitus for those 40 years of age and over
- Infant and child health care provided to more than 162,000 children, including age-appropriate immunization for all registered children below two years of age
- Reverse osmosis water treatment system installed in three camps in Lebanon, benefitting around 8,500 families
- Sewerage, drainage, water supply system and road construction works implemented/in progress in camps in Gaza and Lebanon, benefitting around 6,700 refugee families
- Five new health centres constructed, with work ongoing for eight new health centres. Designs prepared for four new health centres/extensions and one kidney dialysis centre.

B. Goal 2
Acquired knowledge and skills

92. UNRWA aims to achieve the human development goal of ensuring that Palestine refugees acquire knowledge and skills in collaboration with host countries and other partners where applicable.

93. UNRWA operates 666 elementary and preparatory schools across its five fields of operations, as well as 9 secondary schools in Lebanon, providing free basic education to approximately half a million Palestine refugee children. Literacy rates among Palestine refugees compare well with regional and global levels, and there has been gender equity in enrolment since the 1960s.

94. Education reforms launched in 2011 seek to transform classroom practices towards enhanced student learning outcomes. Reforms have addressed policy, organizational structure and capacity development in eight areas, including teacher development and school empowerment; curriculum and student assessment; inclusive education; technical and vocational education and training; administration of governance; strategic planning; research and development; and partnerships, communication and information technology. In 2014 all policies — teacher, inclusive education, and human rights and conflict resolution and tolerance — were being implemented.

95. Progress was made ensuring inclusivity of all children and emphasizing critical learning processes and key values, in line with the World Programme for Human Rights Education. This progress was achieved through professional development programmes and user-friendly toolkits for education staff.

96. UNRWA finalized its analysis of the Agency-wide Monitoring and Learning Achievement tests (taken by 60,000 children in grades 4 and 8 in Arabic and Math, in 4 fields and 566 schools) and the Classroom Observation Study. The findings highlighted progress and challenges.

97. Design and construction works for schools were undertaken to create a conducive learning environment by applying relevant protection standards related to safety, security, accessibility and gender.

Strategic objective 4
To ensure universal access to and coverage of basic education

Expected accomplishment	*Indicators of achievement*	*Measurement*	
		Unit of measure	*Ratio*
Universal access and coverage of basic education[a]	(i) Dropout rate for elementary schools		
	Male	Baseline (2013)	2.62[b]
		Target	2.40
		Actual (2014)	3.38
	Female	Baseline (2013)	1.33[c]
		Target	1.40
		Actual (2014)	1.78
	(ii) Dropout rate for preparatory schools[d]		
	Male	Baseline (2013)	4.02
		Target	5.50
		Actual (2014)	4.75
	Female	Baseline (2013)	3.39
		Target	4.70
		Actual (2014)	2.99

[a] Actual figures are for the 2013/14 scholastic year. Targets are for the 2014/15 scholastic year, as these indicators are reported on biennially and the methodology cannot be adapted for single year reporting.
[b] The 2013 actual value reported in last year's report was incorrect. This figure (2.64) was for the scholastic year 2011/12.
[c] The actual 2013 figure in last year's report was misreported as 1.24.
[d] The 2013 actual reported figures in the 2013 report for both male and female preparatory dropout rates (6.44 and 3.30, respectively) represent the targets for the 2012/13 scholastic year not the actual figures.

Strategic objective 5
To enhance educational quality and outcomes against set standards

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Percentage*
Improved monitoring of quality education delivery	Percentage change in the mean score obtained by students on the monitoring learning achievement test[a]	Baseline (2013)	3.0
		Target (2014)	N/A
		Actual (2014)	N/A

[a] The Monitoring and Learning Achievement test is undertaken periodically, with the most recent one completed in 2013. There are therefore no actual or target figures to report for 2014.

Strategic objective 6
To improve access to educational opportunities for learners with special educational needs

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Percentage*
Improved assessment and referral of special educational needs students	Percentage of all children enrolled in UNRWA schools identified as having a special education need[a]	Baseline (2013)	3.60
		Target (2014)	2.90
		Actual (2014)	3.62

[a] This indicator was reported incorrectly as "Proportion of identified special educational needs students receiving support" in the 2013 report. Figures exclude the Syrian Arab Republic field of operations.

Outputs

- General education provided to approximately 494,944 eligible Palestine refugee children
- Continuing education reforms implemented in all five fields of operation
- Policy framework implemented and diagnostic tools to identify and support children with special needs finalized
- 8 new schools and 3 school extensions constructed, with construction works ongoing for 13 new schools and 3 school extensions
- Designs applying protection standards prepared for 22 schools or extensions.

C. Goal 3
A decent standard of living

98. UNRWA aims to achieve the human development goal of ensuring that Palestine refugees have a decent standard of living through interventions by its relief and social services programme, its microfinance programme and its infrastructure and camp improvement programme, in collaboration with host countries and national and international partners where applicable.

99. In 2014, UNRWA continued to deliver food, cash and specialized services to almost 290,000 Palestine refugees through the Safety Social Net Programme. UNRWA also provided assistance to 1,391,781 Palestine refugees across the five fields through various emergency programmes, with 87 per cent of them in Gaza and the Syrian Arab Republic. The Relief and Social Services Programme preserved 5,589,488 refugee records through the Refugee Registration Information System, and enhanced the system's capabilities to accommodate needs arising from the Syrian crisis. Efforts were initiated to enhance the Refugee Registration Information System capabilities and functionalities to serve and track refugee protection needs. Safety Social Net Programme reforms were completed in Jordan, the West Bank and Lebanon, but UNRWA was unable to meet increased demands owing to funding and constraints. Around 28,000 abject poor refugees remained on waiting lists in these fields. Furthermore, efforts continued in all fields to rationalize emergency and traditional assistance packages, improve and tailor targeting systems, support emergency responses and gender-based violence referral, provide for various protection needs and mainstream gender into programming.

100. The UNRWA education programme contributes to this Goal by increasing employability through its technical and vocational education and training programme. In 2014, in coordination with all fields, indicators were assessed and reformulated to better measure the relevance, efficiency and effectiveness of the programme. The programme strategy was endorsed in July 2014, and will assist in increasing access, most specifically for vulnerable groups, facilitate technical and vocational education and training sustainability, increase quality and systematize linkages with labour markets.

101. The microfinance programme financed 34,967 loans valued at $34.38 million in 2014. The programme ran losses of $739,963 in Gaza and $280,949 in the Syrian Arab Republic because of the respective conflicts in those fields. This could not be offset by the $587,100 profits from operations in the West Bank and Jordan. While there were improvements in the number and value of loans disbursed in 2014, targets were not achieved because of, among other things, the armed conflict in the Syrian Arab Republic, the war in Gaza and the impact of industrial action in the West Bank. Despite growth in the Syrian Arab Republic, microfinance operations are at risk due to low capitalization and the devaluation of the Syrian pound against the United States dollar.

102. The infrastructure and camp improvement programme, in partnership with Palestine refugee communities, initiated, developed and/or implemented camp improvement plans in five camps in Lebanon, Gaza and Jordan. UNRWA also rehabilitated unsafe and unhygienic shelters for social security net families. In addition, in Gaza 41,217 families benefitted from repairs of their shelters affected by the 2014 conflict.

Strategic objective 7
To reduce abject poverty

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Percentage*
			All fields of operation
Increased ability of abject poor individuals to meet their basic food needs	Percentage of abject poor among beneficiaries of the UNRWA Social Safety Net Programme	Baseline (2013)	41.4[a]
		Target (2014)	70.5[b]
		Actual (2014)	55.3

[a] Excluding the Syrian Arab Republic. Last year's reported actual 2013 figure (56) was misreported.
[b] Target has been adjusted with the Syria field's target removed. This indicator is not relevant in the Syria field; given the current crisis, the field provides blanket coverage to all Palestine refugees.

Outputs

- An average of 289,215 individuals received their quarterly food aid and cash subsidy
- UNRWA completed the transition in three fields from the special hardship cases programme to the Social Safety Net Programme.

Strategic objective 8
To mitigate the immediate effects of emergencies on individuals

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Number*
Reduce impact of family financial crisis	Number of Palestine refugees provided with cash and/or food assistance	Baseline (2013)	1 323 626
		Target (2014)	1 393 000
		Actual (2014)	1 363 118

Strategic objective 9
To provide inclusive financial services and access to credit

		Measurement	
Expected accomplishment	*Indicators of achievement*	*Unit of measure*	*Number*
Increased provision of financial services	(i) Number of loans disbursed	Baseline (2013)	26 539
		Target (2014)	42 002
		Actual (2014)	34 967
			Unit of measure (in millions of United States dollars)
	(ii) Value of loans disbursed	Baseline (2013)	30.55
		Target (2014)	41.02
		Actual (2014)	34.38

Outputs

- 13,891 loans valued at $19.44 million financed in the occupied Palestinian territory, 11,288 loans worth $11.78 million financed in Jordan and 9,788 loans worth $3.16 million disbursed in the Syrian Arab Republic
- Annual outreach to clients increased by 32 per cent, while the value of the portfolio improved by 13 per cent. This growth was based on increased outreach in the Syrian Arab Republic, the West Bank and Jordan, which improved by 188 per cent, 17 per cent and 12 per cent, respectively. Outreach in Gaza declined by 13 per cent, as the 2014 conflict closed down microfinance operations for two months
- 19,305 loans valued at $21.10 million provided to enterprises
- 15,662 consumer and housing loans valued at $13.28 million provided to support education and health, build household assets and enable families to improve their housing
- Palestine refugees accounted for 46 per cent of all clients, while informal enterprises accounted for 84 per cent of all enterprises financed
- Loans to women represented 37 per cent of portfolio outreach, and young clients between 18 and 30 years of age accounted for 28 per cent of all borrowers.

Strategic objective 10
To improve employability

Expected accomplishment	*Indicators of achievement*	*Measurement*	
		Unit of measure	*Percentage*
Improved market responsiveness of educational science facilities/ vocational training centres	(i) Male employment rates for graduates within 12 months of graduation[a]	Baseline (2013)[b]	83.0
		Target (2014)	87.8
		Actual (2014)[c]	72.11
	(ii) Female employment rates for graduates within 12 months of graduation	Baseline (2013)[d]	76.0
		Target (2014)	71.3
		Actual (2014)	62.94

[a] All figures are excluding the Syrian Arab Republic.
[b] Including the Syrian Arab Republic the figure is 78 per cent.
[c] Including the Syrian Arab Republic the figure is 72.29 per cent.
[d] Including the Syrian Arab Republic the figure is 75 per cent.

Outputs

- Training in technical and vocational skills provided to almost 7,300 students, of whom 43.4 per cent were women
- Employment satisfaction survey undertaken in all fields except the West Bank
- Career guidance and counselling provided to school students at the basic/preparatory level and to vocational training centre students and trainees.

Strategic objective 11
To improve the urban environment through sustainable camp development and upgrading of substandard infrastructure and accommodations

Expected accomplishment	*Indicator of achievement*	*Measurement*	
		Unit of measure	*Number*
Sustained camp development and upgraded substandard infrastructure and accommodation	Number of refugee families living in substandard shelters that have improved living conditions (excluding emergency shelters in the Gaza Strip)	Baseline (2013)	1 044
		Target (2014)	5 445
		Actual (2014)	1 068

Outputs

- 1,068 helters rehabilitated (excluding emergency cases in Gaza and Lebanon)
- 41,217 families in Gaza benefitted from repairs of shelters affected by the conflict
- 953 shelters in Rafah and more than 250 shelters in Nahr el-Bared Camp that were affected/demolished owing to 2007 conflict reconstructed.

D. Goal 4
Human rights enjoyed to the fullest

103. UNRWA aims to ensure that Palestine refugees enjoy human rights to the fullest extent possible internally by providing protection in and through its service delivery and, externally, by promoting greater respect for international law, including international humanitarian and human rights law.

104. Palestine refugees continued to face serious protection challenges due to ongoing occupation, armed conflict and displacement throughout 2014. For UNRWA, protection and human development are mutually reinforcing goals; UNRWA aims to provide quality services and also works to protect and promote the rights of Palestine refugees. UNRWA protection work has internal and external dimensions.

105. Internally, 15,687 UNRWA education staff were trained on the Agency's human rights, conflict resolution and tolerance toolkit, with 94 per cent of trainees reporting improved capacity. The annual protection audit process, which measures the degree of alignment of UNRWA core programmes with the Agency protection standards was undertaken in all fields, except the Syrian Arab Republic, because of security constraints. The overall degree of alignment for 2014 was 49 per cent. UNRWA faces a number of constraints in this area, including a lack of adequate resources and the challenge of increasing the technical awareness of protection among staff. Recognition of the need to strengthen procedures and systems for the tracking and referral of individual protection cases was a key result of the 2014 process. UNRWA continued its multisectoral approach to address gender-based violence through building referral systems to detect survivors and provide them with access to services.

106. Externally, UNRWA continued to promote greater respect for international law, including international humanitarian and human rights law. This included documenting alleged violations of international law and bringing identified concerns to the attention of relevant duty bearers through private and public advocacy. In 2014, UNRWA advocacy interventions with relevant authorities elicited a positive response in 41 per cent of instances. This outcome should be viewed in the context of worsening protection situations in several fields of operation, with the resumption of hostilities in Gaza, ongoing conflict in the Syrian Arab Republic, and refugee flows and border restrictions in Jordan and Lebanon. UNRWA also continued to effectively engage with the international human rights system, providing inputs into treaty bodies, special procedures and other mechanisms on protection issues adversely affecting Palestine refugees.

Strategic objective 12
To ensure that service delivery meets the protection needs of beneficiaries, including vulnerable groups

		Measurement[a]	
Expected accomplishment	*Indicators of achievement*	*Unit of measure*	*Percentage*
Improved conformity of service delivery to international standards, particularly protection standards	(i) Degree of compliance with UNRWA protection standards[a]	Baseline (2013)	46.6
		Target (2014)	54
		Actual (2014)	49
	(ii) Percentage of education staff who successfully completed the human rights, conflict resolution and tolerance training programme	Baseline (2013)	20[b]
		Target (2014)	40
		Actual (2014)	76

[a] Excluding the Syrian Arab Republic.
[b] The 2013 actual reported figure (9.5) was provisional; this is the correct actual figure.

Strategic objective 13
To safeguard and advance the rights of Palestine refugees by promoting respect for human rights, international humanitarian law and international refugee law

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Improved programmes and policies regarding protection	Percentage of protection issues eliciting positive responses from authorities	Baseline (2013)	66.6
		Target (2014)	40
		Actual (2014)	41

Outputs

- Frontline staff from all programmes benefited from 1,197 basic, 622 in-depth and 636 specialized trainings on how to address gender-based violence
- Detection of 2,539 gender-based violence survivors, with 2,020 referrals and 3,061 services accessed
- Identification of and response to protection cases, with referrals to specialized services internally and externally
- Input on Palestine refugees provided to 11 United Nations human rights reports, based on requests from the Office of the High Commissioner for Human Rights (OHCHR), the Secretary-General or other relevant human rights mechanisms, arising from Security Council, General Assembly and Human Rights Council resolutions.

Strategic objective 14
To strengthen refugee capacity to formulate and implement sustainable social services in their communities

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Refugee capacity to formulate and implement sustainable social services in their communities	Number of partnerships established with UNRWA community-based organizations[a]	Baseline (2013)	–
		Target (2014)	14
		Actual (2014)	7

[a] This indicator is a replacement for "Percentage of community-based organizations improving their level of performance in financial management, service delivery and governance", upon which UNRWA no longer reports.

Output

- The Lebanon field of operation renewed seven memorandums of understanding in 2014. Jordan field began drafting and receiving legal approval for the memorandums of understanding and community-based organization by-laws and thus has not yet established formal partnerships.

Strategic objective 15
To ensure Palestine refugee registration and eligibility for UNRWA services are carried out in accordance with relevant international standards

		Measurement	
Expected accomplishment	*Indicator of achievement*	*Unit of measure*	*Percentage*
Improved access to registration	Percentage of new applicants meeting UNRWA standards	Baseline (2013)	99
		Target (2014)	100
		Actual (2014)	90

Output

- Implementation of the Refugee Registration Information System facilitated staffs' application of the UNRWA Consolidated Eligibility and Registration Instructions, significantly improved UNRWA ability to monitor transactions and processes and served the refugees in a more dignified and efficient way.

Endnote

107. The United Nations Relief and Works Agency for Palestine Refugees in the Near East was established pursuant to General Assembly resolution 302 (IV) of December 1949. The Agency is a subsidiary body of the Assembly and became operational on 1 May 1950, responding to the needs of about 750,000 Palestine refugees. It is one of the largest United Nations programmes, with a population of 5.1 million registered Palestine refugees under its mandate as at the end of 2014, and around 30,000 staff. Palestine refugees are defined as "persons whose normal place of residence was Palestine during the period of 1 June 1946 to 15 May 1948,

and who lost both home and means of livelihood as a result of the 1948 conflict" and include descendants through the male line.

108. The mission of the Agency is to assist Palestine refugees in achieving their full potential in human development until a durable and just solution is found to the refugee issue. The Agency fulfils its humanitarian and human development mandate by providing protection and essential services to Palestine refugees in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. Its services include basic (and in Lebanon, secondary) education, comprehensive primary health care, emergency relief, social interventions, microfinance, shelter and infrastructural support.

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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Programme budget 2016-2017

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Note

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Chapter I
Introduction

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established within the United Nations system as a subsidiary organ of the General Assembly in its resolution 302 (IV) of 8 December 1949. Since starting operations in 1950, UNRWA has adapted and enhanced its programmes to meet the increasingly complex needs of Palestine refugees and to provide them with a measure of protection and stability amid chronic conflict in the region, within available resources. It stands ready to continue to do so during the biennium 2016-2017 in accordance with the triennial mandate that it receives from the Assembly.

2. In August 2015, the Commissioner-General of UNRWA submitted to the Secretary-General a special report on the current financial crisis (see A/70/272) setting out the dramatic dimensions of the funding shortfall, the efforts undertaken to secure funding and the measures taken to maintain critical Agency services. In the special report, he proposed that a process be established, on the basis of consultations with appropriate stakeholders, to continue exploring actively measures that would result in a decisive change towards more sustainable funding of UNRWA operations with a view to enabling the Agency to continue to provide adequate levels of assistance and protection to Palestine refugees in accordance with its mandate. In the context of the biennial budget and the Agency's medium-term strategy for the period 2016-2021, it is essential that the budget be adequately and predictably funded.

3. The mission of UNRWA is to help Palestine refugees to achieve their full potential in human development under the difficult circumstances in which they live, consistent with internationally agreed goals and standards. The Agency fulfils that mission by providing a variety of essential services, within the framework of international standards, to Palestine refugees in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. The mandate of the Agency, which derives from the General Assembly, extends at present to providing education; health care; relief and social services; microfinance and emergency assistance to Palestine refugees; infrastructure and camp improvement within Palestine refugee camps; and protection.

4. UNRWA is well regarded as a pioneer in public service delivery in both stable and fragile contexts. In 2014, the Agency succeeded in educating more than 490,000 children. UNRWA provides access to primary health-care services to families, reaching 3.68 million individuals through well over 9.5 million consultations annually, and contributes towards health outcomes for Palestine refugees that are in line with host countries in areas such as infant and maternal mortality. In 2014, the Agency provided social safety net assistance to 294,000 persons and had a positive impact on the lives of 730,000 people through inclusive and participatory infrastructure and camp improvement interventions. The UNRWA microfinance programme has developed into one of the stronger institutions of its type in the region, delivering, from 1991 to 2010, more than 225,000 loans totalling almost $257 million, and was internationally recognized in 2011 for excellence in social performance reporting. Furthermore, UNRWA has a well-established record of responding rapidly and effectively to emergencies, including in promoting protection, for example, following the hostilities in the Gaza Strip in the summer of 2014 and previously,

during the ongoing Syrian conflict, during the two intifadas in the occupied Palestinian territory and during the Lebanese civil war, to name just a few.

5. UNRWA provides direct services through a workforce of 30,000 staff members, primarily Palestine refugees themselves. The workforce includes 22,000 education staff, 3,300 health-care staff, 1,100 sanitation labourers and 300 social workers, working in some 1,135 locations, including schools, health centres, and technical and vocational training centres, across its five fields of operation.

A. Context

6. The Middle East is experiencing significant political, social and economic changes. Instability and, in some cases, active conflict are expected to characterize the macroenvironment for the biennium. Recent events in all fields of UNRWA operations indicate that the coming biennium could herald even more complexity and uncertainty.

7. While a peaceful, comprehensive and durable solution to the Israeli-Palestinian conflict that includes a final resolution to the plight of Palestine refugees is unlikely during the biennium, the United Nations will remain actively engaged with all relevant actors in an effort to sustain the peace process.

B. Planning assumptions

8. It is assumed that the factors that are causing refugees' needs to increase in terms of both depth and breadth will continue throughout the period 2016-2017.

9. The first year of the biennium could potentially be the ninth year in which the Gaza Strip has experienced an illegal blockade leading to electricity, fuel, food and health crises. The prospect remains that this blockade will continue in some form into the biennium period. The Gaza Strip has been living under the blockade, in isolation and affected by recurrent conflicts for many years and therefore is likely to continue to be one of the weakest economies in the world. The access regime is likely to remain a challenge, with restrictions on the movement of people and goods. Access to land and fishing areas is also likely to remain severely limited, and there may be renewed restrictions on imports. As the blockade continues to restrict Gaza's capacity to create jobs, the majority of the population will be pushed further into poverty and aid dependency. The relatively short yet intense conflicts and incursions that have characterized recent years may continue, with violence and armed conflict resulting in death and injury. The longer-term consequences of hostilities will continue to have an impact on refugees and their needs. In addition, environmental and resource concerns, including the acute water shortage, will pose an increasing threat to Gaza in terms of being a liveable place.

10. In the West Bank, protection challenges resulting from the occupation, including conflict-related violence; detentions, including those of children; military incursions into refugee camps; restrictions on movement and access to productive resources; forced displacement; demolitions of Palestinian-owned structures; and settler violence are expected to continue to affect the daily lives of all Palestinians, including refugees. At the same time, the economy is expected to remain stagnant, contributing to high rates of unemployment, poverty and food insecurity. Taken collectively, these

challenges not only will undermine the ability of Palestinians, including refugees, to live in dignity, leaving them vulnerable to a loss of assets and livelihoods, but also represent significant constraints on the Palestinian Authority in its efforts to provide a full scope of services to Palestinians.

11. The armed conflict in the Syrian Arab Republic continues, with devastating consequences for all civilians. All 12 Palestine refugee camps have been directly affected, including by looting, indirect fire and shelling. Tens of thousands of Palestinian homes have been destroyed. Damage to the economic environment and essential infrastructure has increased dependence on UNRWA and threatens to further reverse human development. Violence and widespread insecurity are expected to continue in the country during the biennium, having an adverse impact on access to areas in which Palestine refugees reside. Palestinians from the Syrian Arab Republic have voiced a deep sense of insecurity about their future in the country and the wider region. Even in the unlikely event of a halt to all violence, the widespread damage to homes and to health and education infrastructure will require a considerable reconstruction effort, and the challenges of economic recovery will be immense.

12. Lebanon's stability, including its security and economy, are likely to continue to be negatively affected by the ongoing conflict in the Syrian Arab Republic and the more than 1 million Syrian refugees it is hosting. Despite some significant challenges, it is not expected that there will be internal strife, although the security situation will remain tense, and sporadic violence is possible. It is assumed that stresses generated by a large refugee population, coupled with limited national resources and an economy facing challenges, will further negatively affect Lebanon's policy towards all refugees from the Syrian Arab Republic, in particular Palestine refugees, preventing them from entering and increasing the risk that they will be returned by force.

13. It is assumed for planning purposes that the Government will continue to restrict the admission of Palestine refugees fleeing the conflict in the Syrian Arab Republic and, as a result, Palestine refugees in Jordan will continue to face vulnerabilities associated with a lack of legal status and threats of deportation. Jordan will, nevertheless, continue to host millions of refugees, whether they are Palestine refugees or from the Syrian Arab Republic or Iraq. This trend will entail growing challenges for the stability of the country, in particular in terms of its economy and limited natural resources, most notably water. Heightened external security threats are expected to continue to pose a risk of giving rise to internal conflict.

14. It is assumed that the macroenvironment will be characterized by a continuation of the current cycle of complex emergencies. With a growing number of refugees living in poverty and the absence of a solution to the refugee question, demand for the Agency's emergency assistance will persist, together with a growing demand for core services.

15. Palestine refugees are continuing to face a human development and protection crisis, including widespread violations of human rights, which will have significant adverse effects on the human development and well-being of Palestine refugees. Levels of food insecurity and poverty are high and increasing. Rates of youth unemployment, especially affecting female youth, are alarming. While Palestine refugees have strong human capital as a result of the education and health structures provided by UNRWA and host authorities, the majority of refugees do not have access to the full range of assets required for sustainable livelihoods, including those

required to develop coping strategies and build resilience. Poverty rates and unemployment are particularly acute in a number of Palestine refugee camps and communities. In this context, an impoverished, embittered and isolated population will turn increasingly to risky and dangerous behaviours, with implications for host communities and countries in the region.

16. A failure of Member States to provide full support to UNRWA, financially and otherwise, not only will have an impact on the Agency's ability to fully implement the mandate given to it by the General Assembly and to provide protection and assistance to Palestine refugees, but also could increase the burden on the already strained public services of host authorities.

C. Budget structure

17. UNRWA reports directly to the General Assembly. Overall advice and support to the Commissioner-General regarding UNRWA programmes and activities are provided by the 28-delegation Advisory Commission (comprising 25 members and 3 observers), which includes representatives of the Agency's major donors and host Governments. In its resolution 3331 B (XXIX), the Assembly decided that, with effect from 1 January 1975, the expenses for salaries of international staff in the service of UNRWA, which would otherwise have been charged to voluntary contributions, should be financed by the regular budget of the Organization for the duration of the Agency's mandate (see figure I).

18. UNRWA has been operating in pursuit of strategic goals and objectives set out in its medium-term strategy for the period 2010-2015. These have been reflected in the UNRWA programme budgets for 2012-2013 and for 2014-2015 and in the annual reports of the Commissioner-General.

19. In early 2013, UNRWA conducted a midterm evaluation of the medium-term strategy for the period 2010-2015, the results and recommendations of which were presented to the Agency's management and Advisory Commission. In early 2013, UNRWA commenced the development of its next medium-term strategy, for the period 2016-2021, which is informed by the findings of the midterm evaluation and guided by the ongoing work to develop post-2015 sustainable development goals. The medium-term strategy for the period 2016-2021 remained a work in progress at the time that the biennial programme plan for the period 2016-2017 was approved by the General Assembly.

20. In November 2014, the Agency's Advisory Commission endorsed the substance of a new medium-term strategy for the period 2016-2021. The strategy has similarities to the medium-term strategy for the period 2010-2015, but also contains some very important improvements, including ones that reflect the sustainable development goals. Poverty and the centrality of human rights are at the core of the strategy. The medium-term strategy for the period 2016-2021 recognizes that poverty is multidimensional and that its mitigation and/or eradication can be achieved only through a coordinated, multisectoral response. The sustainable development goals focus on achieving food security, attaining gender equality, achieving peaceful and inclusive societies responding to changing health needs (including those related to mental health and psychosocial well-being), equitable and inclusive quality education, water and sanitation, and reducing inequalities, among other things. All of those issues are addressed in the medium-term strategy for the period 2016-2021.

21. Although the results chain of the medium-term strategy for the period 2016-2021 contains a number of differences at the output and activity levels, the overall relationship between the previous medium-term strategy (which is reflected in the strategic framework and in the programme budget) and the framework incorporated into the medium-term strategy for the period 2016-2021 is described in the box below.

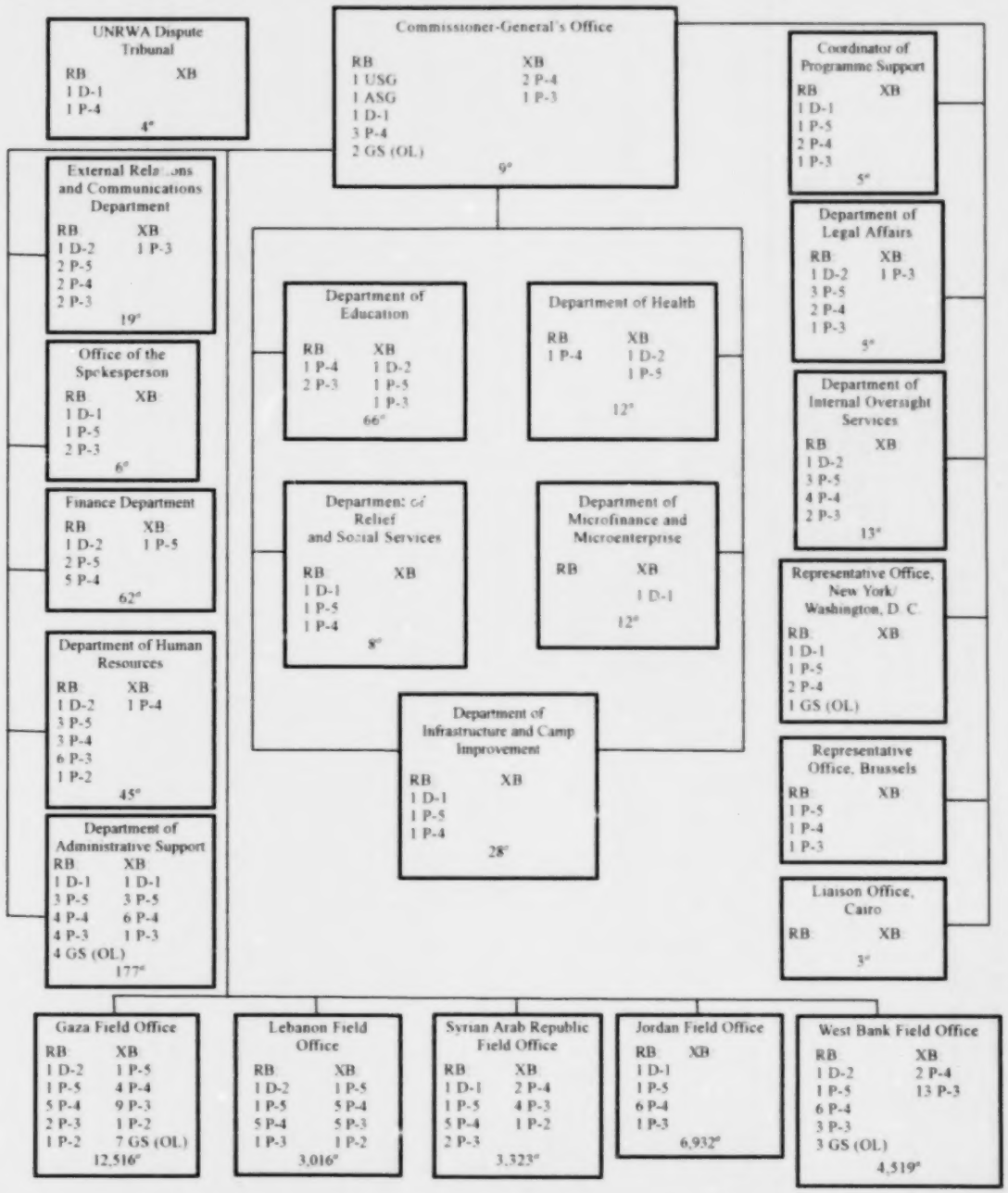
Human development goals (medium-term strategy for the period 2010-2015)		*Strategic outcomes (medium-term strategy for the period 2016-2021)*
A long and healthy life	→	Health is protected and the disease burden is reduced
Acquired knowledge and skills	→	School-age children complete quality, equitable and inclusive basic education
A decent standard of living	→	Capabilities strengthened for increased livelihood opportunities
	→	Refugees are able to meet their basic human needs of food, shelter and environmental health
Human rights enjoyed to the fullest	→	Rights under international law are protected and promoted

22. UNRWA will, at the earliest opportunity, seek to incorporate its updated results chain into the strategic framework for approval by the General Assembly. In the meantime, in presenting the programme budget 2016-2017, UNRWA has adopted the structure and language reflected in the biennial programme plan for the period 2016-2017, as approved by the Assembly (A/69/6/Rev.1).

23. In compliance with regulation 9.2 of the updated Financial Regulations and Rules of the United Nations, which comply with the International Public Sector Accounting Standards (IPSAS), effective 1 January 2012 the biennial budget is in line with modified cash basis principles under the United Nations system accounting standards. For internal management purposes, the budget is also aligned with IPSAS (accrual budgeting) principles, and therefore the programme budget for the biennium 2016-2017 also includes one chapter (chapter IX) representing a reconciliation between IPSAS and the United Nations system accounting standards.

Figure I

United Nations Relief and Works Agency for Palestine Refugees in the Near East structure and post distribution for the biennium 2016-2017



Note: Eighty international posts are funded through extrabudgetary resources.

Abbreviations: USG, Under-Secretary-General; ASG, Assistant Secretary-General; XB, extrabudgetary; RB, regular budget; GS, General Service; OL, Other level.

* Local posts. The total number of local posts at the end of 2017 will be 30,780. The total number of international posts funded through the regular budget of the United Nations is 149.

Table 1

Programme budget for the biennium 2016-2017

A. Summary of 2016-2017 Agency-wide total budget volume by human development goal

(Thousands of United States dollars)

	Fiscal year 2016					*Fiscal year 2017*					*Biennium 2016-2017*				
	Regular budget					*Regular budget*					*Regular budget*				
Goal	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*
A long and healthy life	128 174	3 884	132 058	49 617	181 675	130 459	3 892	134 351	39 236	173 587	258 633	7 777	266 410	88 853	355 263
Acquired knowledge and skills	349 483	739	350 222	71 093	421 315	362 317	759	363 076	9 271	372 347	711 800	1 498	713 298	80 364	793 662
A decent standard of living[b]	78 513	1 008	79 521	564 390	643 911	78 976	1 030	80 006	130 480	210 486	157 489	2 038	159 527	694 870	854 397
Human rights enjoyed to the fullest	7 841	5	7 846	7 000	14 846	8 004	5	8 009	7 000	15 009	15 845	10	15 855	14 000	29 855
Effective and efficient governance and support in UNRWA	147 085	1 349	148 434	3 248	151 682	148 950	1 356	150 306	3 282	153 588	296 035	2 704	298 739	6 530	305 269
Total goal requirements	**711 096**	**6 985**	**718 081**	**695 348**	**1 413 429**	**728 706**	**7 042**	**735 748**	**189 269**	**925 017**	**1 439 802**	**14 027**	**1 453 829**	**884 617**	**2 338 446**
Contingency reserve	9 461		9 461		9 461	6 652		6 652		6 652	16 113	–	16 113	–	16 113
Severance/early voluntary retirement	29 157		29 157		29 157	32 424		32 424		32 424	61 581	–	61 581	–	61 581
Value added reserve[c]	1 000		1 000		1 000	–		–		–	1 000	–	1 000	–	1 000
Total other requirements	**39 618**	**–**	**39 618**	**–**	**39 618**	**39 076**	**–**	**39 076**	**–**	**39 076**	**78 694**	**–**	**78 694**	**–**	**78 694**
Total resource requirements	**750 714**	**6 985**	**757 699**	**695 348**	**1 453 047**	**767 782**	**7 042**	**774 824**	**189 269**	**964 093**	**1 518 496**	**14 027**	**1 532 523**	**884 617**	**2 417 140**

[a] Excludes the cost of 1 international post that may not be funded by the Regular Budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $26 million per annum.

[c] Reflects the forecasted value added tax not settled by the Palestinian Authority in the biennium 2016-2017.

B. Summary of 2016-2017 Agency-wide total budget volume by programme

(Thousands of United States dollars)

	Fiscal year 2016					*Fiscal year 2017*					*Biennium 2016-2017*				
	Regular budget					*Regular budget*					*Regular budget*				
Programme	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*	*Cash*[a]	*In kind*	*Total*	*Project budget*	*Total*
Education programme	383 713	2 057	385 770	75 454	461 224	397 056	2 096	399 152	13 572	412 724	780 768	4 155	784 923	89 025	873 948
Health programme	117 288	4 447	121 735	28 084	149 819	119 380	4 457	123 837	18 862	142 699	236 667	8 904	245 571	46 946	292 517
Relief and Social Services Programme[b]	62 972	225	63 197	6 500	69 697	63 193	228	63 421	6 500	69 921	126 165	452	126 617	13 000	139 617
Infrastructure and Camp Improvement Programme	31 232	4	31 236	573 970	605 206	31 879	4	31 883	138 926	170 809	63 111	8	63 119	712 896	776 015
Executive Direction	20 682	222	20 904	11 340	32 244	20 689	227	20 916	11 409	32 325	41 371	449	41 820	22 750	64 570
Support departments	95 209	30	95 239	–	95 239	96 509	30	96 539	–	96 539	191 719	60	191 779	–	191 779
Total programme requirements	**711 096**	**6 985**	**718 081**	**695 348**	**1 413 429**	**728 706**	**7 042**	**735 748**	**189 269**	**925 017**	**1 439 802**	**14 027**	**1 453 829**	**884 617**	**2 338 446**
Contingency reserve	9 461		9 461		9 461	6 652		6 652		6 652	16 113	–	16 113	–	16 113
Severance/early voluntary retirement	29 157		29 157		29 157	32 424		32 424		32 424	61 581	–	61 581	–	61 581
Value added tax reserve[c]	1 000		1 000		1 000	–		–		–	1 000	–	1 000	–	1 000
Total other requirements	**39 618**	**–**	**39 618**	**–**	**39 618**	**39 076**	**–**	**39 076**	**–**	**39 076**	**78 694**	**–**	**78 694**	**–**	**78 694**
Total resource requirements	**750 714**	**6 985**	**757 699**	**695 348**	**1 453 047**	**767 782**	**7 042**	**774 824**	**189 269**	**964 093**	**1 518 496**	**14 027**	**1 532 523**	**884 617**	**2 417 140**

[a] Excludes the cost of 1 international post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $26 million per annum.

[c] Reflects the forecasted value added tax not settled by the Palestinian Authority in the biennium 2016-2017.

Table 2

Regular budget requirements by field office and headquarters

(Cash and in kind, thousands of United States dollars)

Field office headquarters	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
Gaza Strip	224 135	231 897	206 250	224 707	235 943	248 237
Lebanon	77 228	86 718	87 265	92 380	91 065	92 510
Syrian Arab Republic	47 626	35 067	27 889	60 297	61 019	61 651
Jordan	120 490	131 465	128 891	148 609	142 557	143 888
West Bank	99 662	100 671	114 884	104 125	111 383	113 106
Headquarters	52 119	51 071	53 062	54 808	76 114	76 356
Education programme	2 315	2 404	2 532	2 915	3 025	3 052
Health programme	1 009	1 057	1 011	1 296	1 233	1 232
Relief and Social Services Programme	1 062	1 000	1 250	10 582[b]	27 485[b]	27 452[b]
Infrastructure and Camp Improvement Programme	1 560	1 564	1 547	1 887	1 672	1 693
Executive Direction					11 285	11 285
Support departments	46 173	45 046	46 722	38 128	31 414	31 642
Subtotal	**621 260**	**636 889**	**618 241**	**684 926**	**718 081**	**735 748**
Contingency reserve[c]				14 000	9 461	6 652
Salary reserve[c]				15 000	–	–
Severance/early voluntary retirement				–	29 157	32 424
Value added tax reserve[c]				15 000	1 000	–
Budget risk reserve[c]				14 834	–	–
Subtotal	–	–	–	**58 834**	**39 618**	**39 076**
Total resource requirements	**621 260**	**636 889**	**618 241**	**743 760**	**757 699**	**774 824**

[a] Excludes the cost of one international post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $9 million, $26 million and $26 million for the years 2015, 2016 and 2017, respectively.

[c] Comparative figures for 2012-2014 are integrated into the respective field office and headquarters department/programme expenditure.

Figure II
Regular budget by field office and headquarters

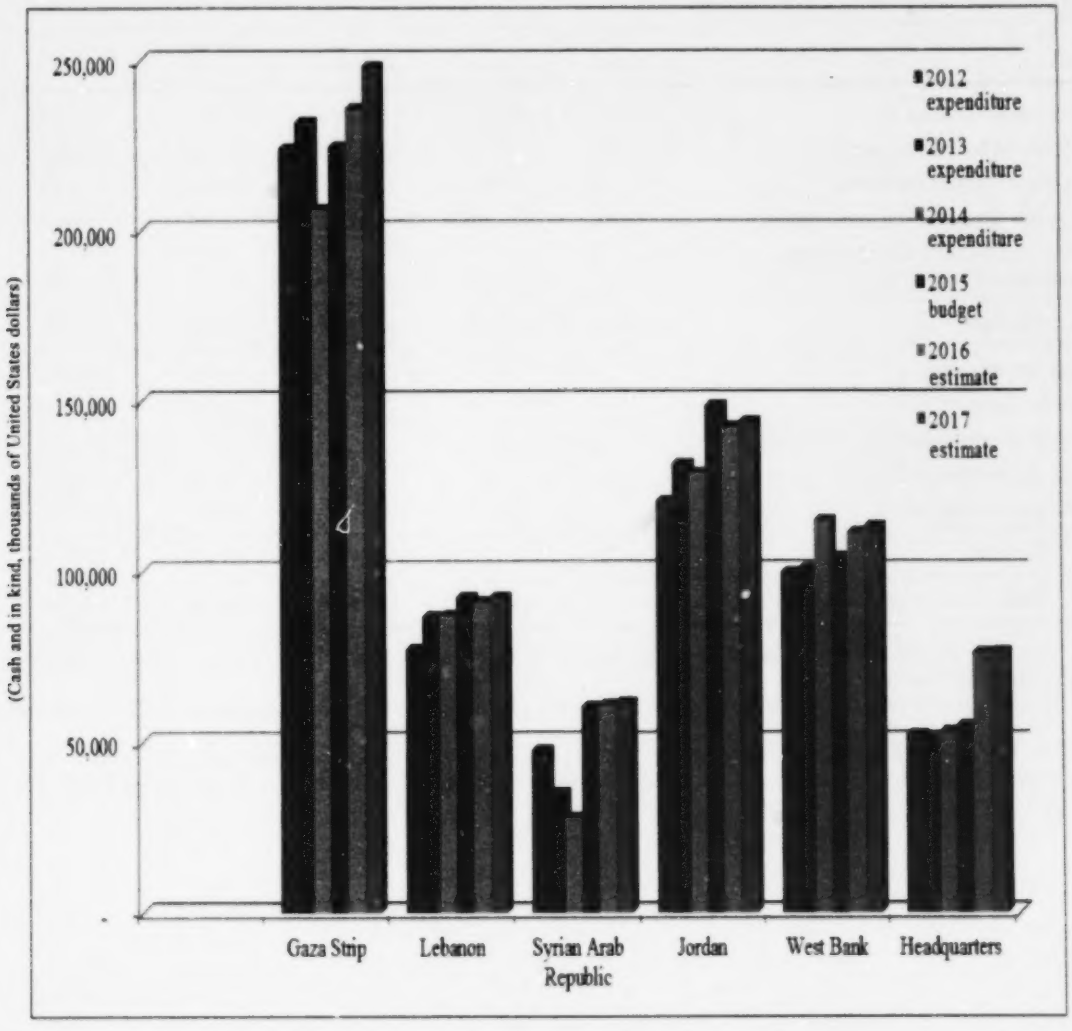


Table 3

Regular budget requirements by human development goal

(Cash and in kind, thousands of United States dollars)

Goal	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
A long and healthy life	115 804	104 862	93 910	133 926	132 058	134 351
Acquired knowledge and skills	342 106	352 750	333 867	358 578	350 222	363 076
A decent standard of living	55 732	47 626	44 423	75 939[b]	79 521[b]	80 006[b]
Human rights enjoyed to the fullest	3 680	3 558	3 585	3 947	7 846[d]	8 009
Effective and efficient governance and support in UNRWA	103 938	128 093	142 455	112 536	148 434	150 306
Subtotal	**621 260**	**636 889**	**618 240**	**684 926**	**718 081**	**735 748**
Contingency reserve[c]				14 000	9 461	6 652
Salary reserve[c]				15 000	–	–
Severance/early voluntary retirement				–	29 157	32 424
Value added tax reserve[c]				15 000	1 000	–
Budget risk reserve[c]				14 834	–	–
Subtotal	–	–	–	**58 834**	**39 618**	**39 076**
Total resource requirements	**621 260**	**636 889**	**618 240**	**743 760**	**757 699**	**774 824**

[a] Excludes the cost of one international post that may not be funded by the regular budget of the United Nations during the 2016-2017 biennium.

[b] Includes Social Safety Net Programme Food Reserve of $9 million, $26 million and $26 million for 2015, 2016 and 2017, respectively.

[c] Comparative figures for 2012-2014 are integrated into the respective human development goals expenditure.

[d] Major increase between 2015 and 2016 is due to the adoption of a new uniform strategic framework for 2016-2017. Several subprogrammes formerly allocated to goals 3 and 5 are now allocated to goal 4.

Figure III
Regular budget by human development goal

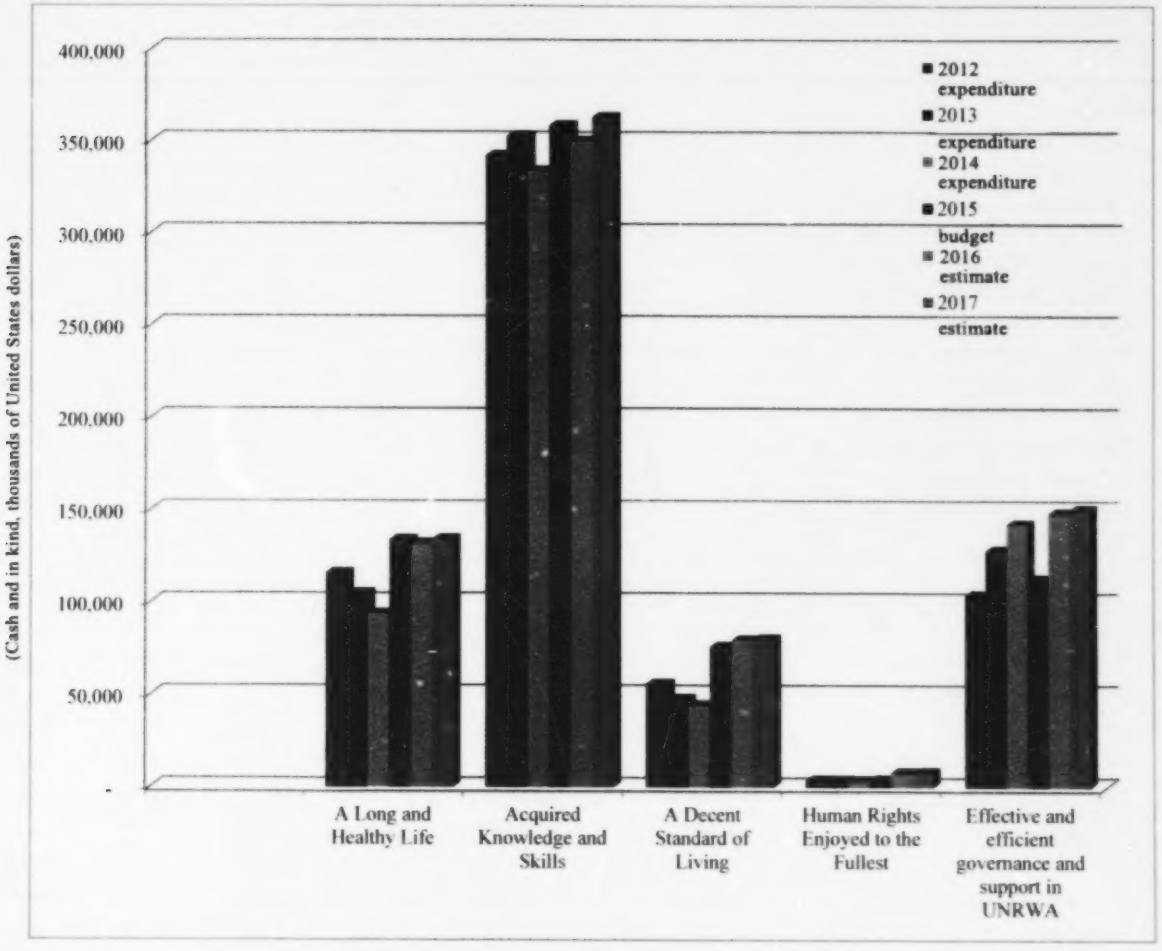


Table 4
Regular budget requirements by resource
(Cash and in kind, thousands of United States dollars)

Goal	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
Staff costs						
International staff	26 635	29 724	29 421	29 938	32 028	32 028
Basic salaries	327 816	326 296	314 024	369 717	397 078	411 499
Hazard pay and special elements	727	14	1 847	–	–	–
Provident Fund Agency contributions	48 544	49 745	48 532	55 363	58 856	60 850
Senior Professional Officer Allowance, Special Occupational Allowance and others	9 447	9 729	10 231	10 946	12 492	12 749
Overtime and excess hours supplement	554	564	790	673	998	1 004
Currency adjusting factor	19 767	32 830	37 993	12 459	–	–
Special allowances	18 088	18 038	18 073	19 627	18 416	18 616
Health-related expenses	5 929	8 355	8 456	8 172	9 197	9 259
Miscellaneous allowances	313	223	79	302	176	176
Severance cash payment out	28 667	25 072	4 025	16 103	1 103	1 103
Limited-duration contract cost	7 239	8 244	9 238	7 765	8 898	8 744
Temporary staff	1 874	1 923	2 720	3 088	2 393	2 563
Subtotal	**495 600**	**510 757**	**485 429**	**534 153**	**541 635**	**558 591**
Non-staff costs						
Consumption of inventories	33 756	28 676	35 826	44 542	37 991	38 497
Non-inventory supplies	18 019	18 118	15 045	13 954	19 741	19 364
Utilities	4 030	4 872	5 610	6 921	6 412	6 559
Maintenance of premises	9 644	9 883	9 739	7 939	10 014	10 167
Equipment and construction	16 082	17 675	19 529	13 681	12 799	12 844
Training	1 150	990	1 007	1 580	1 467	1 507
Travel	2 011	1 551	1 778	1 992	2 305	2 268
Administrative support services	4 807	4 401	5 197	5 528	6 280	6 232
Consultancy services	2 496	1 985	3 422	2 140	2 550	2 543
Hospital services	10 792	15 947	15 812	18 016	19 857	19 987
Miscellaneous services	9 594	9 273	8 744	12 203	14 115	14 250
Subsidies to hardship cases	13 710	11 366	8 604	7 501	9 327	9 328
Subsidies to patients	2 804	3 296	4 391	5 247	9 434	9 458
Third-party subsidies	–	749	680	156	71	71
Other subsidies	707	255	344	282	362	362
Reserves	–	–	–	9 749[b]	26 125[b]	26 125[b]
Cost recovery	(3 941)	(2 905)	(2 917)	(658)	(2 404)	(2 405)
Depreciation[c]	–	–	–	–	–	–
Subtotal	**125 661**	**126 132**	**132 811**	**150 773**	**176 446**	**177 157**
Total staff and non-staff cost	**621 261**	**636 889**	**618 240**	**684 926**	**718 081**	**735 748**

Goal	*2012 expenditure*	*2013 expenditure*	*2014 expenditure*	*2015 budget*	*2016 estimate*[a]	*2017 estimate*[a]
Contingency reserve[c]				14 000	9 461	6 652
Salary reserve[c]				15 000	–	–
Severance/early voluntary retirement				–	29 157	32 424
Value added tax reserve[c]				15 000	1 000	–
Budget risk reserve[c]				14 834	–	–
Subtotal	–			**58 834**	**39 618**	**39 076**
Total resource requirements	**621 260**	**675 292**	**731 566**	**743 760**	**757 699**	**774 824**

[a] Excludes the cost of one international post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

[b] Includes Social Safety Net Programme Food Reserve of $9 million, $26 million and $26 million for the years 2015, 2016 and 2017, respectively.

[c] Comparative figures for 2012-2014 are integrated into the respective resource of expenditure.

Figure IV
Regular budget by resources

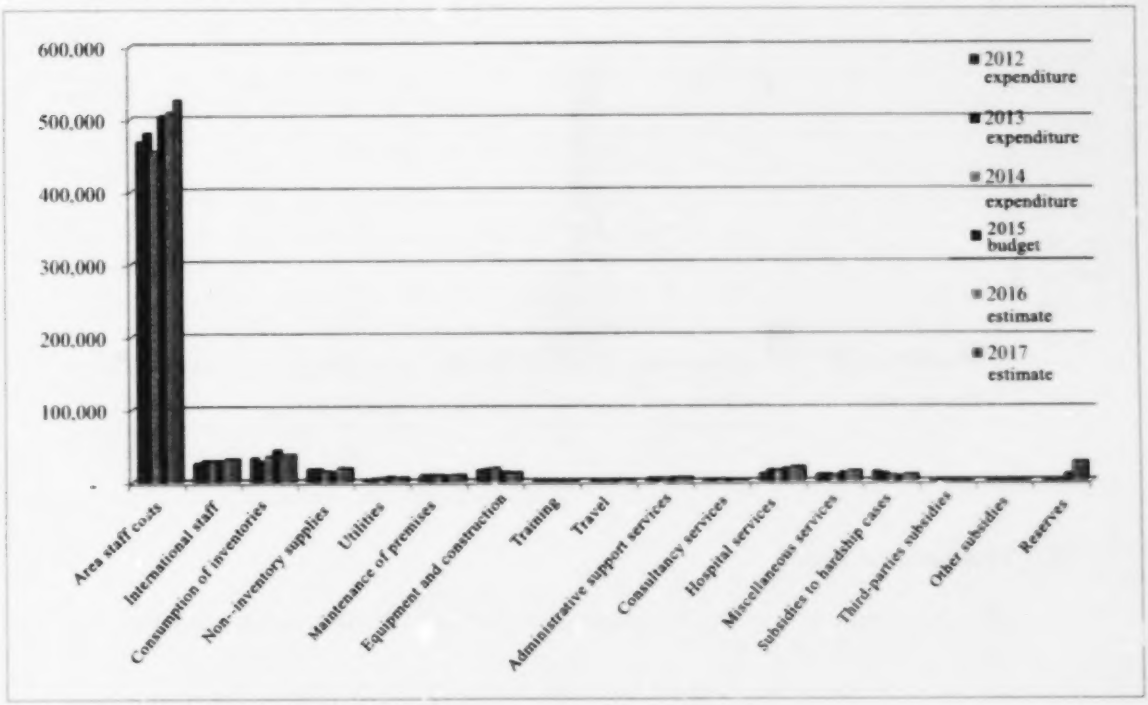


Table 5

Project budget by goal and field office/headquarters for the biennium 2016-2017

(Thousands of United States dollars)

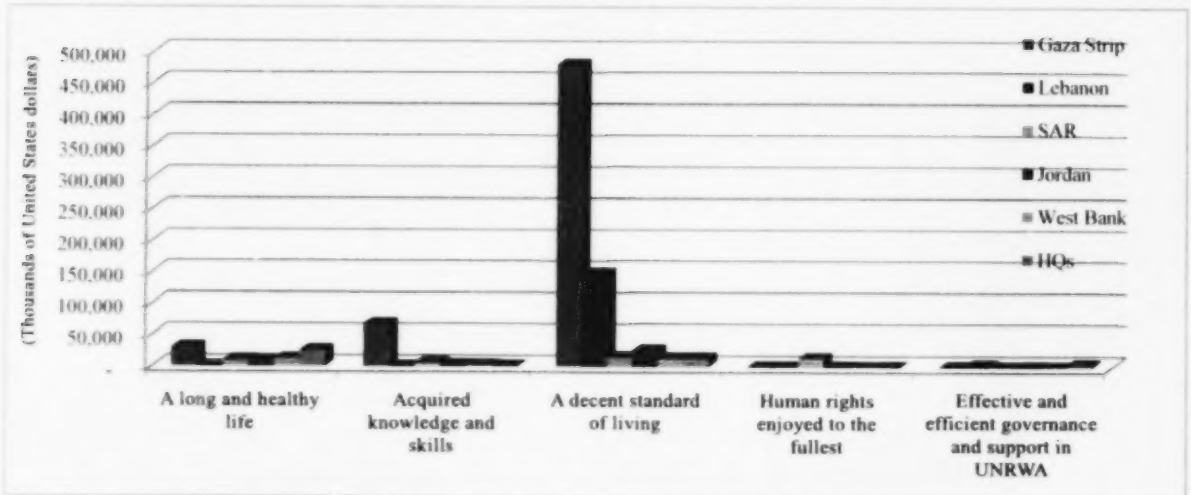
Goal	*Gaza Strip*[a]	*Lebanon*[b]	*Syrian Arab Republic*	*Jordan*	*West Bank*	*Headquarters*	*Total*
A long and healthy life	30 000	–	10 400	9 850	12 767	25 836	88 853
Acquired knowledge and skills	67 597	–	6 600	2 660	2 256	1 251	80 364
A decent standard of living	479 600	147 027	15 000	25 800	13 582	13 861	694 870
Human rights enjoyed to the fullest	–	–	14 000	–	–	–	14 000
Effective and efficient governance and support in UNRWA	–	2 250	–	–	–	4 280	6 530
Grand total	**577 197**	**149 277**	**46 000**	**38 310**	**28 605**	**45 228**	**884 617**

[a] The Gaza Strip project budget includes $577.2 million towards Gaza reconstruction.

[b] The Lebanon Field Office project budget includes $138.7 million for Nahr el-Bared Camp.

Figure V

Project budget by goal and field office/headquarters for the biennium 2016-2017



D. Human resources

24. In order to deliver its core programmes and projects, the Agency employs international and area staff.

25. In compliance with General Assembly resolution 3331B (XXIX), during the 2014-2015 biennium, 150 international staff posts were funded from the regular budget of the United Nations.

26. In line with General Assembly resolution 69/264, the Controller of the United Nations has requested UNRWA to make proposals for savings in the United Nations programme budget for the biennium 2014-2015. In response, UNRWA proposes a

reduction of one post of Security Officer (P-3). As of July 2015, UNRWA was engaged in ongoing discussions with the General Assembly's Advisory Committee on Administrative and Budgetary Questions on this proposal.

27. In addition, 80 international staff posts are funded from sources other than the regular budget of the United Nations, with 76 posts funded by projects; two funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and two funded by the World Health Organization (WHO).

Table 6
International Staffing Requirements 2016-2017

Post grade	*United Nations regular budget*[a]	*Other sources*
Professional and higher		
Under-Secretary-General	1	–
Assistant Secretary-General	1	–
D-2	8	2
D-1	10	2
P-5	27	8
P-4/P-3	90	58
P-2/P-1	2	3
Subtotal	**139**	**73**
General Service	10	7
Subtotal	**10**	**7**
Total	**149**	**80**

[a] Excludes one post that may not be funded by the regular budget of the United Nations during the biennium 2016-2017.

28. As of the end of April 2015, programmes are otherwise delivered primarily through 29,507 local ("area") staff, the number of which will need to increase up to the approved workforce ceiling of 30,765 by the end of 2017 if the Agency is to realize the achievements set out in the current budget (see table 7). One factor contributing to this is the rising number of refugees served.

Table 7
Estimated number of area staff as at 31 December 2017 by human development goal

Goal	*Gaza*	*Lebanon*	*Syrian Arab Republic*	*Jordan*	*West Bank*	*Headquarters*	*Total*
A long and healthy life	1 333	608	497	1 018	970	20	4 446
Acquired knowledge and skills	10 006	1 802	2 357	5 147	2 604	64	21 980
A decent standard of living	524	239	142	350	342	22	1 619
Human rights enjoyed to the fullest	47	16	61	41	37	4	206
Effective and efficient governance and support in UNRWA	606	351	266	376	566	349	2 514
Total	**12 516**	**3 016**	**3 323**	**6 932**	**4 519**	**459**	**30 765**

E. Financial situation

29. With the exception of international staff posts funded by the United Nations regular budget through assessed contributions and posts provided by other United Nations agencies, the ongoing operations, projects and emergency appeals of UNRWA are funded by voluntary contributions.

30. Table 8 shows the funding status of the UNRWA budget for 2015.

31. The financial results for the fiscal year 2015 illustrate the funding shortfalls experienced by the Agency in its efforts to implement its mandate. The funding gap (deficit), as of July 2015, for the regular budget (UNRWA General Fund) amounted to $101.2 million and the projects budget experienced a shortfall of $191.5 million, whereas the 2015 emergency appeal was underfunded by $995.6 million.

Table 8
Funding status of the Agency, 2015
(Millions of United States dollars)

	Regular budget	*Projects*	*Emergency appeal*
Contributions and income	534.2	46.9[a]	554.1[a]
Budget	635.4	238.4	1 549.7[b]
Funding gap	**(101.2)**	**(191.5)**	**(995.6)**

[a] Represents confirmed pledges as of July 2015 (cash received and not received).
[b] Represents the amount requested in the 2015 emergency appeal for the Occupied Palestinian Territory of $414.4 million, the Syrian Regional Crisis Response Plan of $415.3 million, and Gaza recovery and reconstruction appeal of $720 million.

32. Current projections of income and expenditure (see table 9) indicate funding gaps for the regular cash budget of $200.6 million and $222.2 million in 2016 and 2017, respectively. This shortfall results from lower income (based on indicative estimates from donors and estimated interest income) of $550.1 million and $545.6 million, compared with budgeted expenditures of $750.7 million and $767.8 million,

in 2016 and 2017, respectively. Without additional contributions, the Agency will not be in a position to fully implement its budgeted activities.

Table 9
Expected funding status of Agency — regular budget, 2016-2017
(Millions of United States dollars)

	2016	*2017*
Projected income	550.1	545.6
Budget	750.7	767.8
Funding gap	**(200.6)**	**(222.2)**

33. Income projections by donor for 2016 and 2017 are shown in table 10.

Table 10
Income projections for the General Fund — 2015-2017
(Thousands of United States dollars)

Donor	*Income forecast 2015[a]*	*Income forecast 2016*	*Income forecast 2017*
United States of America	130 000	130 000	130 000
European Union	89 325	89 000	89 000
United Kingdom	45 090	45 000	45 000
Sweden	35 859	36 000	36 000
Japan	24 822	25 000	25 000
Norway	19 352	19 000	19 000
Switzerland	17 532	18 000	18 000
Netherlands	14 739	15 000	15 000
Australia	14 493	15 000	15 000
Denmark	14 064	14 000	14 000
Germany	9 150	9 000	9 000
France	8 026	8 000	8 000
Belgium (including Flanders)	6 991	7 000	7 000
Italy	6 536	7 000	7 000
Luxembourg	5 229	5 000	5 000
Finland	4 772	5 000	5 000
Ireland	4 242	4 000	4 000
Spain (including regions)	2 085	2 000	2 000
Kuwait	2 000	2 000	2 000
Russia	2 000	2 000	2 000
Saudi Arabia	2 000	2 000	2 000
United Arab Emirates	1 800	1 800	1 800
Austria	1 687	2 000	2 000
Turkey	1 250	1 250	1 250

Donor	*Income forecast 2015*[a]	*Income forecast 2016*	*Income forecast 2017*
Other donor income	45 039	10 500	11 000
Subtotal	**508 084**	**474 550**	**475 050**
Interest	600	600	600
Programme support costs recoveries	60 000	45 000	40 000
International staff funded through assessed contributions	29 082	29 933	29 933
Total	**587 180**	**550 083**	**545 583**

[a] Expected end-of-year forecast based on information available by the end of June 2015.

34. The UNRWA Resource Mobilization Strategy for 2012-2015 included three high-level strategic objectives: to deepen partnerships with traditional donors, to diversify the donor base and to develop improved cross-Agency capacity to mobilize resources and manage donor relations. On the basis of the evaluation of the Resource Mobilization Strategy for 2012-2015, the Department of External Relations will prepare a resource mobilization strategy for the period 2016-2019. UNRWA will seek endorsement of the Strategy for 2016-2019 Resource Mobilization Strategy at the November 2015 meeting of the Advisory Commission.

35. Traditional donors have remained key supporters of UNRWA, providing 80 to 90 per cent of the Agency's overall funding requirements. Although traditional donors have increased their overall contribution to UNRWA in recent bienniums, funding from traditional donors has not kept pace with increased requirements of 6.4 per cent per annum over the past two bienniums. In response to chronic funding shortfalls, UNRWA has depleted its contingency reserves, institutionalized austerity measures and sought to diversify the donor base by systematically reaching out to Arab partners, non-traditional donors, emerging markets and private partners.

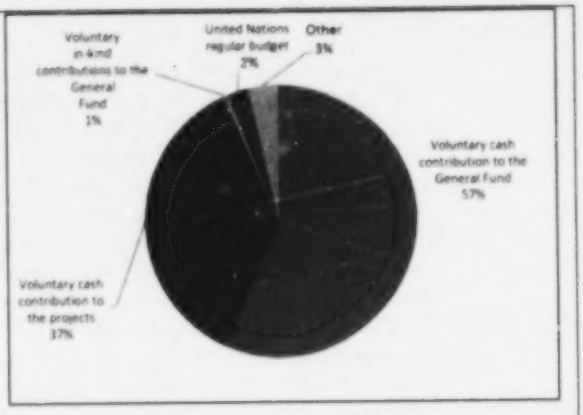
36. UNRWA seeks to further strengthen both internal and external communications. By improving the flow of information, the Agency is in a better position to increase its transparency and accountability vis-à-vis donors, in turn creating an environment conducive to sustaining relationships with new and existing donors.

37. Figure VI shows the expected sources of funding of the Agency's total budget volume for 2016 and 2017, including both the regular and the project budget.

Figure VI
Budget funding — 2016-2017

(Thousands of United States dollars)

Voluntary cash contribution to the General Fund	1 372 430
Voluntary cash contribution to the projects	884 617
Voluntary in-kind contributions to the General Fund	14 027
United Nations regular budget	59 866
Other (programme support costs recoveries and interest)	86 200
Total	**2 417 140**


Voluntary in-kind contributions to the General Fund 1%
United Nations regular budget 2%
Other 3%
Voluntary cash contribution to the General Fund 57%
Voluntary cash contribution to the projects 37%

38. Voluntary contributions will be requested to cover about 94 per cent of total budget volume for 2016-2017, of which 60 per cent are cash contributions to the General Fund, 39 per are cent cash receipts to fund projects and about 1 per cent are in-kind contributions to the General Fund.

39. The funding of 149 international posts from the United Nations regular budget (excluding 1 international post that may not be funded from the regular budget during the biennium 2016-2017) accounts for about 2.5 per cent annually of the total budget volume. The remaining 3.6 per cent of other income is derived from the following sources:

(a) Interest income and miscellaneous income, including programme support costs, of $45 million and $40 million in 2016 and 2017, respectively;

(b) Funding of 6 staff posts (2 international and 4 area staff posts) by UNESCO and 4 posts (2 international and 2 area staff posts) by WHO as part of their technical assistance to the education and health programmes, respectively.

40. If donor contributions continue to fall short of the levels required to finance rising levels of service delivery requirements, the resulting constraints on the Agency's capacity will continue to undermine the human development standards of Palestine refugees and place additional pressure on host authorities.

41. UNRWA recognizes that the resource scarcity resulting from the current global economic climate, growing needs resulting from population growth and inflationary pressures require the Agency to prioritize services and activities within and between its main programmes. The budget therefore encompasses funding for only an identified set of core activities fundamental to meeting the basic needs of Palestine refugees. The resources required to do so are necessary for the Agency to fulfil the essence of its mandate in providing protection and assistance to Palestine refugees.

Chapter II
Goal 1: a long and healthy life

A. Human development goal

42. Health is a state of complete physical, mental and social well-being, not merely the absence of disease or infirmity. The right to health is a fundamental human right to which all individuals are entitled. It is also an instrumental element of human development. Health is at the heart of a range of interconnected achievements and deprivations. In addition to the widely recognized link between health and economic growth, achievements in health are instrumental to education outcomes, cognitive development, employment opportunities and income-earning potential. Illness, malnourishment, mental illness and other deprivations in terms of health often lead to a reduction in other capabilities. UNRWA contributes towards realizing this right for Palestine refugees by providing quality and universally accessible primary health care. In 2014, some 3.5 million persons, equivalent to more than 70 per cent of the total registered population, accessed UNRWA health services. The Agency delivers these services primarily through 138 primary health-care facilities, utilizing a workforce of more than 3,300 health staff. Among the Palestine refugee population, mothers, young children and persons with non-communicable diseases use the Agency's services the most.

43. In 2011 UNRWA began a reform process based on a Family Health Team approach and the development of electronic medical records (e-Health). Together, the reforms are aimed at modernizing the Agency's primary health services and making them more person-centred and more efficient. In addition to its primary health-care subprogramme, UNRWA administers a hospitalization programme. The majority of services are provided by public or private hospitals through various types of contracts. In addition, the Agency runs one hospital in the West Bank: Qalqilya Hospital. Unlike primary health services, hospitalization support differs from field to field, depending on local circumstances. Around 76,000 hospital admissions are supported annually (not including the Syrian Arab Republic).

B. Constraints and challenges

44. The Palestine refugee population is marked by an increasingly ageing population and increasing prevalence of non-communicable diseases. Unhealthful lifestyles are common, and therefore many of the current and emerging health threats facing Palestine refugees are inherently chronic non-communicable diseases, which require costly care and treatment.

45. Physical violence and abuse present serious health problems for many Palestine refugees. In addition, psychosocial and mental health problems are on the rise, particularly in those communities affected by death, disease, displacement and a loss of assets as a result of war and conflict. Increasing levels of poverty have an impact on refugees' ability to obtain medical assistance beyond that provided by UNRWA.

46. Refugees face protection challenges in accessing health care as a result of violence and other obstacles or because of geographical shifts in the refugee population away from established health centres.

47. UNRWA has faced a number of challenges in implementing an electronic health information management system (e-Health), including lack of funding, inadequate information and communications technology infrastructure in many health centres and the need to build the capacity to enable all users to move to an electronic system.

48. Many of the health facilities are in old buildings whose maintenance has been neglected over the years because of funding constraints. Resource constraints restrict the Agency's ability to conduct the assessments necessary to ensure that health facilities are capable of resisting seismic activities, are environmentally sound, enable efficient delivery of services and are safe for use.

49. Furthermore, sanitation-related communicable diseases are still a problem in some Palestine refugee camps, as access to potable water and sanitation is worsening across the UNRWA fields of operation. This is particularly a problem in conflict contexts.

C. Expected accomplishments

50. UNRWA will continue to provide universally accessible quality primary health care. It will maximize the impact of the Family Health Team reforms to promote the proper diagnosis and treatment of key diseases and conditions and reduce the duration of illness and the incidence of often life-threatening complications, especially those that arise from non-communicable diseases. Such care will also seek to address the promotion of preventive factors contributing to psychosocial well-being and behavioural risk factors leading to non-communicable diseases throughout Palestine refugees' life. The Family Health Team approach will reinforce the role of health staff in addressing the determinants of health and strengthen outreach activities and community participation. Cross-cutting services will include preventive oral health care. Through training and capacity-building as well as partnerships, UNRWA will ensure that medical and paramedical members of the Family Health Team are better able to identify mental disorders and psychosocial problems. UNRWA will equip those staff with the skills and knowledge needed for handling cases that do not require specialist care.

51. Targeted health promotion and protection services will complement the Family Health Team approach. Outreach-based health education and promotion campaigns and population-based health screenings for diabetes and hypertension will be key features in that regard.

52. The school health programme will continue to enhance behavioural change from an early age, mainly through the formulation of a school health policy.

53. E-Health will improve service delivery through the proper monitoring of patient information, such as cohort analysis on treatment outcomes. UNRWA will continue to upgrade its health centres under the Family Health team approach and to consider the spatial requirements of that approach, including in terms of patient flow, health team composition, zoning and adjacencies. UNRWA will seek to promote accessibility for refugees with disabilities and specific gender requirements, including through the green approach.

54. With the increasing demand reflected in hospitalization caseloads across all five fields of UNRWA operations, hospitalization demand will continue to outstrip supply capacities. UNRWA will redirect its focus and accord highest priority to

those with life-threatening illnesses who lack the financial assets or insurance coverage to access health-care services. UNRWA will engage in complementary activities with partners as a tool to enhance response and maximize opportunities to increase resource mobilization through association.

55. UNRWA will address the impact of the restrictions on access to health care. In circumstances in which refugees do not have access to health services, the Agency will strive to reach them with its own services, for example, through mobile health clinics. UNRWA will actively look for opportunities to rationalize the use of resources.

56. Collaboration with local, national and international partners is critical to facilitating the level of access to comprehensive care that Palestine refugees need. UNRWA will continue to collaborate with long-standing historical partners, particularly WHO, the United Nations Population Fund and the United Nations Children's Fund (UNICEF), to improve its technical capacity in health services. UNRWA will also continue to partner with local and global partners such as the World Diabetes Foundation in the delivery of its strategic objectives.

57. UNRWA will actively work with host Governments and individual municipalities to ensure maximal provision of municipal services to camp communities. Where circumstances demand, notwithstanding these efforts, that UNRWA carry out such activities as solid waste removal, the Agency will seek to ensure the most cost-effective operation possible.

58. Furthermore, UNRWA will prioritize projects addressing water resources, supply and networks, sewerage networks and water drainage in camps that suffer from severely deteriorated environmental infrastructure.

59. The strategic framework reflects the following expected accomplishments:

(a) Universal access to quality, comprehensive primary health care

(b) Sustained protection and promotion of family health

(c) Ensured prevention and control of diseases.

D. Financial resources

Table 11
A long and healthy life

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Universal access to quality, comprehensive primary health care	96 584	98 066
Protection and promotion of family health	12 016	12 446
Prevention and control of diseases	23 458	23 839
Total regular budget	**132 058**	**134 351**
Project budget	**49 617**	**39 236**
Grand total	**181 675**	**173 587**

Chapter III

Goal 2: acquired knowledge and skills

A. Human development goal

60. Education is a social process that contributes to the development of current and future generations, develops and applies new knowledge, serves to reinforce and/or change social and cultural norms and practices, and contributes to identity-building. As a fundamental human right, education plays a key role in all aspects of human development. It provides people with social and cognitive skills that they can use to support themselves financially through paid employment later in life.

61. UNRWA provides education services to nearly half a million Palestine refugee children through some 666 schools. The Agency's education programme is its largest in terms of both staff and budgetary allocation, with 57 per cent of the Agency's General Fund expenditure, operating one of the largest education systems in the Middle East. The Agency's education system provides basic education through 9 years (10 in Jordan) of free primary and preparatory education across its five fields of operation, as well as secondary schooling in Lebanon.

62. The number of children accessing UNRWA schools has been steady in most fields for a number of years. Such schools in Lebanon and Jordan are having to absorb additional students displaced from the Syrian Arab Republic. More significantly, however, in the Gaza Strip, there has been a progressive increase in student numbers over several years, with almost 90 per cent of the school-age refugee population attending UNRWA schools. During the period 2002-2012, the number of children in UNRWA schools in Gaza increased from 189,000 to 225,000.

63. In 2011, the UNRWA education programme began the design and implementation of a major four-year reform. The reform was implemented in response to an increasing concern in the region as a whole, and within UNRWA specifically, that students were not developing the types of skills necessary to achieve their full potential and contribute positively to the development of their society and the global community. It seeks to transform classroom practices through a holistic, interrelated approach, both in terms of focus areas, such as teachers, curriculum, inclusion, evidence-based planning and research, and in terms of its operationalization at three levels: policy, organization and individual capacity.

64. Common education indicators have been developed to enable the Agency to better monitor how UNRWA is responding to the challenges associated with reform and to be more meaningfully situated in the national, regional and global context in which it operates. They include perceptional indicators to measure the alignment of teaching learning practices with the education reform, the prevalence of human rights culture (as defined by the new UNRWA human rights, conflict resolution and tolerance policy) and practices at the school level, in addition to indicators measuring enrolment, retention and the overall efficiency of the UNRWA education system.

65. UNRWA is developing an Agency-wide educational management information system, which will strengthen its capacity to provide timely and reliable reports against key education indicators.

66. At the heart of the UNRWA education programme is quality, inclusive and equitable education. Here, the Agency's Inclusive Education Policy of 2013, in line with the UNRWA Policy on Gender Equality of 2007, the Education Gender Mainstreaming Strategy of 2008 and the Disability Policy of 2010, promotes equal opportunities for access to quality education, learning and participation for all children. School parliaments provide a voice to Palestine refugee children and empower them.

67. UNRWA has become a pioneer in emergency education programming. A multi-stranded response to the emergency in Syria has been implemented for affected children in the Syrian Arab Republic, Lebanon and Jordan. This approach encompasses alternative learning spaces and the use of self-learning materials; psychosocial support through counsellors who work directly with the children and support teachers; and security and survival skills training. These strands are underpinned by strengthened data collection and enhanced communication systems.

B. Constraints and challenges

68. Issues of disparity and inequity in pupil performance remain. The proportion of UNRWA students below the expected grade level ranges between 43 per cent in eighth-grade Arabic and 68 per cent in fourth-grade mathematics, while there are between 32 per cent and 57 per cent performing at or above expectations.

69. Studies showed that, in all fields, classroom practices are very traditional, teacher-fronted and limited in terms of diversity in practices to support and encourage learning by all students.

70. Educational infrastructure has suffered from a lack of resources and increasing demographic pressures, with 70 per cent of UNRWA schools running double shifts. In addition, UNRWA is still using several non-purpose-built schools, which negatively affects the efficient allocation of resources and poses threats to life and property in the event of a natural disaster.

71. Child marriage and early withdrawal from school to provide support or work at home have an impact on girls' access to education.

72. Conflict within host countries and across the region has an impact on children's right to education.

73. As noted above, prolonged political, social and economic instability, combined with repeated and widespread violations of human rights, continues to have significant adverse effects on the psychosocial well-being of children in UNRWA schools. This presents a challenge to achieving quality, inclusive and equitable educational outcomes, and efforts to reach such outcomes must be undertaken systemically and specifically. The capacity of the UNRWA education system and other UNRWA services to respond to such needs is limited and must be developed.

C. Expected accomplishments

74. UNRWA will maintain and further strengthen its commitment to quality, inclusive and equitable education in order to best equip students to realize their

potential as individuals and members of their society, including the broader global community.

75. UNRWA will work towards ensuring that its schools and classrooms are supportive to all children and will therefore promote their psychosocial well-being. It will build the capacity of teachers, school counsellors and the education system as a whole to better respond to children's psychosocial needs. It will establish support systems to assess and address those needs and will work with other sectors within UNRWA to ensure that support and referral systems are in place; these will draw upon the support and expertise of partners. Measuring progress against clearly defined indicators will be key, and UNRWA will reflect such indicators within its monitoring and reporting frameworks.

76. The Agency's focus will be quality, equity and inclusiveness of provision and outcome. The UNRWA education programme will seek to close the gap in student achievement. It will achieve this through continued emphasis on enhancing the professionalization of teachers in UNRWA schools; enhancing the capacity of education staff to develop behaviour that promotes the psychosocial well-being of their students; enriching curricula to ensure that they are developing students' skills; building competences and attitudes that reflect United Nations values; and developing children's knowledge and understanding of human rights concepts, roles and responsibilities through the human rights, conflict resolution and tolerance programme. Central to those interventions will be evidence-based policy planning and the adoption of an integrated, coherent approach.

77. There will be an increased focus on students who require targeted interventions to achieve their potential in education. This includes students with disabilities, children from poor backgrounds, those with additional psychosocial needs, students who are underperforming in standardized tests, children who have experienced abuse, physical violence and exploitation, and children with severe diseases. Violence both in and around schools has been identified as a key priority, and will continue to be addressed comprehensively in a unified way.

78. UNRWA will seek to mobilize the resources to, first, reduce the number of schools operating on double shifts and, second, improve the infrastructure of its schools to ensure that they help to facilitate quality, equity and inclusiveness, providing a favourable learning environment with accessibility for all refugees, including those with disabilities.

79. UNRWA will gradually mainstream the green approach in the design and upgrading of its facilities, in order to reduce running costs and minimize the negative effects of the consumption of energy in the operation of its facilities on the environment. UNRWA will strive to gradually eliminate the use of unsafe rented schools and upgrade schools to meet UNRWA infrastructure security, safety and accessibility standards.

80. UNRWA will continue to provide education services in extremely challenging environments. As part of its Syrian response, UNRWA will continue to implement a coherent Agency-wide approach that includes alternative modalities of learning, safety, security training, survival skills, psychosocial support with additional counsellors in place in all three fields, enhanced communication and engagement with parents and communities, and teacher training.

81. The UNRWA education programme has benefited greatly from the Agency's partnership collaboration with UNESCO since its foundation. UNRWA underscores the importance of its growing collaboration with other partners, including UNICEF, the Norwegian Refugee Council and the Deutsche Gesellschaft für Internationale Zusammenarbeit. UNRWA will look into facilitating access to early childhood education through strategic partnerships and continue to work closely with ministries of education in all fields.

82. The strategic framework reflects the following expected accomplishments:

(a) Universal access to and coverage of basic education;

(b) Enhanced educational quality and outcomes as measured against set standards;

(c) Improved access to educational opportunities for learners with special education needs.

D. Financial resources

Table 12
Acquire knowledge and skills

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Universal access to basic education	344 258	357 029
Improved educational quality and outcomes against set standards	5 964	6 047
Total regular budget	**350 222**	**363 076**
Project budget	**71 093**	**9 271**
Total	**421 315**	**372 347**

Chapter IV
Goal 3: a decent standard of living

A. Human development goal

83. This subprogramme comprises two elements: (a) strengthening refugee capabilities for increased livelihood opportunities; and (b) ensuring that refugees are able to meet their basic food and shelter needs.

84. Livelihood opportunities derive from the capabilities, assets — (including both material and social resources) and activities required to make a living. Access to resources for a decent standard of living is also important for sustainable livelihoods. As a fundamental human right, employment is a primary means of mitigating poverty, building human dignity and promoting human development and recovery from conflict.

85. UNRWA contributes to Palestine refugee livelihood opportunities in three ways: (a) directly, through its programmes; (b) indirectly, through the jobs it creates in its operations, including the staff it employs and the opportunities created in the reconstruction sector through its reconstruction projects; and (c) through its promotion of and support for Palestine refugees' access to economic opportunities through advocacy with host Governments and local economic actors.

86. UNRWA provides guidance counselling, labour-market studies and awareness programmes for employment after school, and operates nine technical and vocational education and training centres, from which some 20,000 students graduated between 2010 and 2014. The technical and vocational education and training programme provides UNRWA students with a comparative advantage in finding employment and plays an important role as part of early recovery in conflict contexts. It provides diverse courses, including trade, professional and short-term courses, through strong links with the local labour market. Employment rates for graduates of the programme are high, at 72 per cent for males and 63 per cent for females in 2014, including in the Syrian Arab Republic.

87. UNRWA offers microfinance services through two channels: the microfinance programme and the microcredit community support programme. Those initiatives work to ensure that Palestine refugees, including women and the abject poor, have access to microcredit.

88. The microfinance programme provides sustainable income-generation opportunities for Palestine refugees and other poor or marginalized groups in all UNRWA fields of operation except Lebanon. It extends credit and complementary financial services to households, entrepreneurs and small business owners. Those investments create and sustain jobs, reduce poverty and empower its clients, particularly women. Between 2010 and 2014, 168,000 loans, with a total value of $188 million, were issued.

89. The microcredit community support programme seeks to increase the individual household assets of vulnerable Palestine refugees. The programme serves Palestine refugees in all UNRWA fields except the Gaza Strip. Between 2010 and 2014, approximately 15,250 loans, valued at $15.7 million, were disbursed.

90. For high achievers unable to afford tertiary education, UNRWA provides university scholarships across all fields with project funding.

91. Each field has established tailored economic opportunity portfolios specific to its context to enhance livelihood opportunities for Palestine refugees. For example, in Lebanon, employment service centres have been established to link Palestine refugees with employment opportunities. In the Gaza Strip, emergency appeal funding supports job creation schemes.

92. Approximately one fifth of the Palestine refugee population lives in 58 camps in the five fields of operation. The Infrastructure and Camp Improvement Programme, following a participatory needs assessment through urban planning, attempts to reform the space and improve the setting and environment in which refugees live. The programme also examines the built environment of camps within their context, links them to the local context, resources and potential, and contributes through the linkages and the integration efforts to come up with innovative solutions to the refugees' worst problems, in particular with respect to the alleviation of poverty and improved quality of life. With the Agency's guidance, camp populations develop camp improvement plans, comprising an urban improvement plan and a community development plan. So far, camp improvement plans have been developed for 10 camps.

93. UNRWA is one of the largest employers of Palestine refugees in the Near East. Providing employment opportunities with UNRWA is not a strategic objective in itself, but it is important to recognize that the salaries paid by UNRWA not only ensure continued quality of services for refugees, but also represent an injection of income into refugee and other local communities. UNRWA employs 30,000 full-time employees, almost half of whom are women, and thus approximately 150,000 people benefit directly from its salaries and many more benefit indirectly. UNRWA also creates livelihood opportunities through its construction projects.

94. Similarly, UNRWA provides a large economic stimulus to the local economies in its fields of operation through procurement, which in 2014, for example, was valued at $191 million.

95. Safeguarding the right to food and improving the nutritional status of individuals and families help to prevent malnutrition and stunted growth and enable human productive capacities to be expended on development needs such as education and livelihoods.

96. Shelters provide refugees a home, security for their belongings, safety and protection for their families from the cold, dampness, heat, rain, wind and other threats to health, a place to strengthen social relations and networks, a place for local trading and service provision, and a means to access basic services. For women, shelter is particularly significant in terms of its impact on poverty, health, child rearing and protection from violence. As a basic human need, refugees should have sustainable access to safe drinking water, sanitation, drainage, natural lighting, washing facilities, means of food storage, refuse disposal and emergency services.

97. UNRWA is one of a limited number of actors that provide food or cash assistance directly to Palestine refugees living in poverty. It does so with resources provided under its emergency programme and its Social Safety Net Programme. UNRWA seeks to provide food parcels containing 80 per cent of caloric needs to all refugees living in abject poverty, defined as those who cannot meet their food

consumption needs. However, the number of beneficiaries is inevitably dependent on the funding received. At present, the Social Safety Net Programme remains severely underfunded and locked into a food distribution programme combined with ineffective amounts of cash distribution. The Agency's preferred modality of direct assistance to poor refugees who are not able to meet their food needs is through the provision of cash transfers. This is for numerous reasons, including ensuring efficiency, flexibility, and convenience for refugees as well as safeguarding their dignity.

98. In shelter rehabilitation projects, UNRWA assesses and prioritizes substandard shelters that are structurally unsafe, built with temporary material such as asbestos and zinc, overcrowded and lacking in gender separation. Progress in rehabilitating shelters and meeting annual targets has been challenging owing to financial constraints and conflict.

99. During conflict and emergency situations, UNRWA provides temporary shelters to refugees and their families in UNRWA facilities. However, as it must continue to provide educational and other services to refugees, the Agency is not in a position to continue using its facilities for protracted periods. In post-conflict situations, UNRWA mobilizes resources to help repair shelters that are damaged or destroyed by conflict. It has, on occasion, taken a central role in major construction and/or the reconstruction of neighbourhoods or camps and appealed to other actors and stakeholders to assist and lead in the reconstruction process.

100. UNRWA does not manage or administer official refugee camps. The provision of public services is the responsibility of host authorities. Nevertheless, UNRWA offers support where necessary, appropriate and possible.

B. Constraints and challenges

101. With unemployment rising, economic engagement for Palestine refugees is of concern across all fields. In particular, high rates of youth unemployment, especially among young women, and low labour force participation rates for women, which range between 10 and 18 per cent across UNRWA fields of operation, will remain the most significant livelihood challenge for Palestine refugees.

102. Although refugees have strong human capital as a result of the education and health structures provided by UNRWA and host authorities, the majority of refugees do not have access to the full range of assets, namely, social, natural, physical and financial capital, required for sustainable livelihoods, including those required to develop coping strategies and build resilience.

103. The situation in refugee camps is particularly dire. In general, refugees who have improved socioeconomic status move outside camps as a result of the poor living conditions there.

104. Owing to poverty, unemployment, increased population density and a deteriorating built environment, there is a shortage of adequate housing in camps. This is coupled with a lack of regulatory frameworks and planning, which is resulting in a rapid rate of haphazard urbanization. Services are lacking, and social infrastructure is deteriorating. Social problems are increasing. Isolation and social segregation are serious problems facing refugees living in camps.

105. Regulatory changes in the Occupied Palestinian Territory and in Jordan in relation to microfinance present significant challenges for the Agency in maintaining and expanding its microfinance and microcredit programmes. The changes threaten the continued success of the microfinance programme and the microcredit community support programme and any potential increase in their impact for vulnerable Palestine refugees, including women, youth and those affected by emergencies.

106. UNRWA operates in contexts of increasing political instability, worsening socioeconomic conditions and growing protection gaps for Palestine refugees, all of which threaten efforts to meet the basic human needs of food, shelter and environmental health.

107. Levels of food insecurity among Palestine refugees remain high and are growing and deepening. At the same time, the assistance provided by UNRWA is far from sufficient, and food-insecure households must resort to other sources to supplement what UNRWA provides. Many must find coping strategies such as selling belongings or eating less. Others resort to eating poor-quality food, which has a number of health implications, including diabetes and obesity. The "hunger gap" that people cannot make up either from their own resources or from aid will continue to grow over time owing to the increased cost of living.

108. The needs of refugees living in substandard shelters are growing. The majority of shelters have asbestos roofing, which constitutes a health threat.

109. Sanitation-related communicable diseases are still a problem in some Palestine refugee camps, as access to potable water and sanitation is worsening across UNRWA fields of operation. This is particularly a problem in contexts affected by conflict.

C. Expected accomplishments

110. The Agency will focus on building the capabilities of refugees and increasing access to livelihood opportunities. It will do so by strengthening the capacities of refugees through training and other educational opportunities, enabling access to financial services, creating employment opportunities as an indirect by-product of its operations, and advocating for refugees' legal right to work where it is restricted.

111. The Agency's livelihood interventions will target refugees who are most in need, in particular youth and women, who have high unemployment rates across all UNRWA fields of operation. UNRWA will place particular focus on promoting employment and income-generating opportunities for refugees in conflict and post-conflict settings.

112. UNRWA will continue to prioritize improvements to camps in order to enhance the communities' capacities and assets. Prioritization criteria have been developed that take into consideration physical, spatial, social, economic and environmental conditions. The Agency will target at least one camp/field for comprehensive improvement through the production of new camp improvement plans and will follow up on sustainable implementation of the current camp improvement plans.

113. UNRWA will seek to increase the number of technical and vocational education and training graduates. UNRWA will seek to generate more diversity and flexibility in the courses offered and to better align those courses with local market demand. It will provide greater access for vulnerable youth, improve the gender

dimension of programming and enrolment, enhance the programme's efficiency, quality and labour market relevance and ensure overall programme sustainability and effectiveness. Where possible, co-financing will be introduced, with the goal of generating a broader resource base for the expansion of technical and vocational education and training placements and opportunities. Increased tracking of graduates and engagement and feedback loops with employers will enable the programme to ensure that courses remain relevant and appropriate.

114. UNRWA will review its education science facilities in the West Bank and Jordan and their provision of teacher training to assess their contribution to the strategic objectives of the education programme and to those of the Agency as a whole. This review will consider the role of the Education Sciences Facility and the Faculty of Educational Science and Arts with regard to teacher supply in UNRWA schools.

115. UNRWA will study the effectiveness and impact of its scholarship projects, particularly for the vulnerable.

116. UNRWA will complete the transformation of the microfinance programme into a new microfinance institution independent of UNRWA by 2017, subject to certain conditions. This will enable the programme to secure new sources of financing to expand and benefit more persons, including more Palestine refugees, than it can under UNRWA. UNRWA will ensure that the new entity fully maintains the Agency's microfinance mission for Palestine refugees, women, youth, the poor and those affected by conflict.

117. UNRWA will also study how it can best ensure that vulnerable Palestine refugees have access to microcredit, microfinance and savings facilities. UNRWA will determine whether and how the microcredit community support programme can be made more effective.

118. UNRWA will assess the effectiveness of the Employment Services Centre model used in Lebanon and the job creation programmes. In so doing, UNRWA will consider opportunities to improve the programmes' impact and the extent to which they could be implemented in other UNRWA fields.

119. UNRWA commits itself to doing more to move towards gender parity in management positions. It will do so by improving recruitment practices by eliminating unintended obstacles to women's success and establishing processes to support capacity-building for women. The Agency will support, to the extent possible, opportunities for staff members to undertake assignments with sister United Nations agencies and other recognized international organizations.

120. UNRWA will continue to enhance opportunities in the delivery of livelihood support through its ongoing collaborations with partners, including with the Fund for International Development of the Organization of the Petroleum Exporting Countries through the PalFund trust fund, with the Palestine Monetary Authority through the Palestine Credit Bureau, and with the Deutsche Gesellschaft für Internationale Zusammenarbeit and relevant members of United Nations country teams, including the International Labour Organization. The Agency will also seek to establish a partnership with the World Bank and the United Nations Development Programme, on promoting and developing economic engagement opportunities. Engagement with the United Nations Entity for Gender Equality and the Empowerment of Women will be sought in the area of women's economic empowerment.

121. New partnerships at the local level within fields will look to the private sector and the business community with the aim of increasing access to labour market information and expanding vocational training.

122. In the provision of food assistance, UNRWA will continue to target the abject poor. Wherever possible and appropriate, UNRWA will adopt a cash-transfer mechanism in preference to the direct provision of food. UNRWA will seek to mobilize sufficient resources to ensure that direct assistance to those who are food-insecure is equivalent to at least 20 per cent of the daily needs of those below the abject poverty line.

123. UNRWA will seek partnerships to consolidate its efforts in helping Palestine refugees meet their basic human needs of food, shelter and environmental health. UNRWA will continue to work with the World Food Programme in the delivery of food assistance, both on the logistics side of food delivery and in twinning deliveries, where appropriate, to deliver tandem support to host communities and Palestine refugees.

124. UNRWA will gradually rehabilitate and repair substandard shelter. It is estimated that, if the requisite funding is received and rehabilitation targets are met, the number of poor refugees living in substandard shelter will decrease by more than 28 per cent between 2012 and 2021.

125. In emergencies, the Agency will continue to provide humanitarian assistance to refugees, including the most vulnerable and those who have been displaced internally or to other UNRWA fields. Strategic responses to emergencies will include advocating on behalf of affected Palestine refugees with host authorities, United Nations agencies and donors; making its premises available to shelter and protect displaced civilians during armed conflict; promoting partnerships with donors, non-governmental organizations and others; and closely coordinating with the United Nations Humanitarian Coordinator.

126. UNRWA will prioritize projects addressing water resources, supply and networks, sewer networks and water drainage in camps that suffer from severely deteriorated environmental infrastructure. UNRWA must strengthen its capacity to monitor the quality and quantity of the water provided to refugees.

127. The strategic framework reflects the following expected accomplishments:

(a) Reduced poverty among the poorest Palestine refugees;

(b) Increased inclusive financial services through access to credit and savings facilities;

(c) Enhanced skills and improved access to employment for Palestine refugees;

(d) Sustained camp development and the upgrading of substandard infrastructure and accommodations.

D. Financial resources

Table 13
A decent standard of living

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Reduced poverty among the poorest Palestine refugees[a]	55 242	55 390
Sustained access to employment for Palestine refugees	22 438	22 719
Substandard camp infrastructure and accommodation upgraded	1 526	1 574
Inclusive financial services and access to credit and savings facilities increased	315	323
Total regular budget	**79 521**	**80 006**
Project budget	**564 390**	**130 480**
Total	**643 911**	**210 486**

[a] Includes Social Safety Net Programme Food Reserve of $26 million and $26 million for the years 2016 and 2017, respectively.

Chapter V
Goal 4: human rights enjoyed to the fullest

A. Human development goal

128. All persons are holders of fundamental rights, which derive from the inherent dignity of the human person. The primary responsibility to respect, protect and fulfil these human rights lies with States. The Agency's role is to contribute to the protection of Palestine refugees when this responsibility is not fulfilled. Refugees are entitled to international protection, which both reflects and seeks to respond to their specific situations. Protection refers to all activities aimed at obtaining full respect for the rights of the individual in accordance with the letter and spirit of the relevant bodies of law, namely, human rights law, international humanitarian law and refugee law.

129. For UNRWA, protection is what the Agency does to safeguard and advance the rights of Palestine refugees, including through the direct provision of services and other activities. Human rights and human development reinforce each other, and expanding people's capabilities and protecting their rights go hand in hand.

130. In recent years, UNRWA has significantly strengthened its protection role by introducing dedicated capacity both at headquarters and in field offices. The Agency has introduced various initiatives to mainstream protection into its service delivery in accordance with the tools developed in recent years.

131. UNRWA is encouraged by the General Assembly to further address the needs and rights of children, women and persons with disabilities in its operations in accordance with the relevant international human rights treaties. UNRWA has a gender mainstreaming strategy, and a gender-based violence programme, a disability policy and an inclusive education policy and is undertaking a mapping exercise to develop a child protection framework.

132. Programmatically, UNRWA has focused on violence and abuse in Palestine refugee communities, particularly violence and abuse directed at women, children, persons with disabilities and vulnerable groups more broadly. In order to respond to these protection issues, UNRWA has established specialized family and child protection projects and systems to detect, assess, intervene, refer and monitor protection cases, to ensure a holistic and comprehensive response to violence and other threats, either on the part of the Agency itself or in coordination with key protection actors.

133. In addition, the Agency has been a strong advocate of the protection and promotion of the rights of Palestine refugees. UNRWA documents alleged human rights violations and brings them to the attention of duty bearers and the international human rights system.

B. Constraints and challenges

134. Palestine refugees are facing a wide range of protection challenges in all UNRWA fields of operation. A key obstacle for the protection of Palestine refugees is duty bearers' lack of compliance with their obligation to protect and promote the human rights of Palestine refugees.

135. While UNRWA has strengthened its internal capacity to deliver on its protection mandate, it still lacks the full capacity and specialized skills to do so.

136. The protection of survivors of gender-based violence and other forms of violence is extremely challenging, often requiring specific psychosocial interventions with families. There are not enough sufficiently trained and equipped experts within Palestinian communities to provide such support.

137. The definition of a person eligible for registration with UNRWA as a Palestine refugee recognizes descendants only through the male line. Despite changes introduced in 2006, there is no consistency across the Agency regarding services for husbands and descendants of women married to non-refugees.

C. Expected accomplishments

138. UNRWA will further develop its protection approach, bringing its protection priorities into greater focus, providing greater coherence and consistency to its protection activities across the Agency and determining its role on the basis of an understanding of where it has added value compared with other United Nations agencies and protection actors.

139. UNRWA will address protection challenges that arise from its programme service delivery in education, health, relief and social services, microfinance and infrastructure and camp improvement. This will include focusing on instances in which UNRWA, through its actions or policies, unintentionally undermines the realization of specific rights such as the socioeconomic rights to food, water, health and education. By addressing such concerns through "do no harm" and other approaches, UNRWA service delivery promotes and respects the rights of beneficiaries and ensures the security and dignity of beneficiaries. In all contexts, the Agency will work to ensure that its assistance and service delivery is carried out in accordance with internationally agreed standards and its own minimum protection standards. UNRWA will regularly measure its level of compliance with these minimum standards and take any necessary corrective action.

140. UNRWA will seek to address cases of violence, abuse, neglect and exploitation of vulnerable groups, including women, children and persons with disabilities, regardless of the context. Specific protection threats include gender-based violence, abuse, exploitation, coercion and child marriage. Such cases often necessitate specialized services that UNRWA is unable to provide, and the Agency will therefore strengthen its tracking systems and referral mechanisms. UNRWA will continue to implement the multisectoral approach to responding to and preventing gender-based violence. The Agency will ensure that survivors are referred to its assistance programmes or external legal and psychosocial service providers and will support awareness-raising. UNRWA will take significant steps to mainstream gender, gender-based violence and child protection interventions to its emergency response.

141. UNRWA addresses vulnerability and external protection threats through targeted protection programming to empower and promote the resilience of Palestine refugees to protection threats. This involves the development of dedicated protection programmes that provide integrated assistance to respond to protection cases affecting individuals, families or communities. Such programmes differ from the Agency's ongoing service delivery, since they are stand-alone interventions

designed to respond to specific protection concerns. UNRWA will seek to expand such specialized protection programmes.

142. In coordination with its partners, UNRWA will promote respect for the rights of Palestine refugees under international human rights, humanitarian and refugee law. Within its existing capacity, UNRWA will monitor, report and engage in private and public advocacy on emblematic cases relating to threats to Palestine refugees. It will raise concerns about protection threats and seek accountability for violations of rights with the relevant authorities, both privately and publicly as appropriate. The Agency will use public advocacy, including media and strategic communications, to raise awareness of protection concerns affecting Palestine refugees and seek action to ensure that they are addressed. UNRWA will also continue to make predictable and consistent use of available international mechanisms with which the United Nations is mandated to cooperate, in particular the international human rights system, in accordance with the Agency's framework for effective engagement with the international human rights system.

143. UNRWA will carry out advocacy regarding legal status and international protection issues. This entails the protection concerns of Palestine refugees who are forced to flee from one field to another as a result of conflict. It also relates to the long-standing protection of refugees linked to their precarious legal status in host countries.

144. UNRWA will review and update its disability framework to ensure that the needs of persons with disabilities are adequately identified and addressed throughout its programmes and service delivery, in accordance with international standards. It will also develop a child protection framework.

145. The Agency will move towards resolving long-standing variations in registering and providing services to women married to non-refugees as well as their husbands and descendants. It will do so taking into account a number of protection, legal, financial and operational considerations, as well as the specific situation in each field of operations.

146. UNRWA will leverage existing partnerships, including with the Office of the United Nations High Commissioner for Human Rights, UNICEF and the International Committee of the Red Cross, on protection issues. It will also seek out and formalize other partnerships as a means to strengthen its own role on protection and better ensure the protection of Palestine refugees through joint projects, cooperation agreements and other mechanisms.

147. The strategic framework reflects the following expected accomplishments:

(a) Rights of Palestine refugees are safeguarded and advanced;

(b) Strengthened capacity of Palestine refugees to formulate and implement sustainable social services in their communities;

(c) Palestine refugee registration and eligibility for UNRWA services in accordance with relevant international standards.

D. Financial resources

Table 14
Human rights enjoyed to the fullest

Resource requirements by objective
(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Increased awareness and respect for the rights of Palestine refugees	1 623	1 653
Rights, safety and dignity of Palestine refugees promoted and protected	4 010	4 111
Palestine refugee status and eligibility to UNRWA services protected	2 213	2 245
Total regular budget	**7 846**	**8 009**
Project budget	**7 000**	**7 000**
Total	**14 846**	**15 009**

Chapter VI

Goal 5: effective and efficient governance and support in the United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Management services goal

148. This chapter outlines the management and operational responses to the following three primary risks. First is the risk that the Agency will have insufficient resources to enable it to address outcomes. Second is the risk of dramatic and unforeseen changes in the operating environment that change refugee needs or the Agency's ability to operate. Third is the risk associated with change.

149. UNRWA will: (a) build an ambitious fundraising and partnership approach; (b) strengthen management systems for maximum impact and effective response; and (c) foster and institute a culture of partnership with refugees and staff.

150. UNRWA has secured a greater diversification of the donor base to include more contributions from Arab States, emerging markets and other non-traditional donors, including the private sector. Nonetheless, efforts to finance the Agency remain significantly reliant on a small group of donors, and UNRWA has not been given sufficient resources to enable its operations to keep pace with the increasing needs of Palestine refugees.

151. UNRWA must mobilize more resources from traditional and new donors and other partners. To that end, it will develop a new resource mobilization strategy commencing in 2016.

152. UNRWA will build on sound management practices and programme reform efforts already embarked upon in order to continue providing vital quality services in a cost effective manner and will ensure that refugees benefit to the maximum extent possible from additional opportunities and services provided by others.

153. UNRWA is committed to managing its costs in a way that retains its capacity to achieve its strategic objectives with maximum impact within its resources, and without compromising essential services. The Agency's service delivery and the staff required for it are the greatest assets of UNRWA.

154. Through programme reforms such as those undertaken in its education and health programmes, UNRWA will deliver greater impact in terms of quality services without significant increases in its workforce. Given projected needs, some increase in that workforce will be required, but the Agency will seek, in the medium term, to limit this increase to the education sector in Gaza, where the number of children seeking admission to UNRWA schools is expected to continue to grow. That pattern is not expected in other fields of operation.

155. As regards compensation to its workforce, UNRWA is committed to being recognized by all stakeholders — its workforce, refugees, host authorities and donors — as a fair employer. UNRWA will continue to rigorously adhere to its pay policy, which is aimed at optimizing its human resources to ensure that the best possible services are provided to the refugee community. The pay policy dictates that the Agency will take into account the relationship between its compensation and that of the Government of the host country. In doing so, UNRWA will

endeavour to ensure that the compensation, including salaries, offered to its workforce are not significantly above or below the host country comparator or other timely analyses of labour market developments.

156. To strengthen its accountability in meeting its targets on gender equality and women's empowerment, UNRWA participates in the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women. Further progress is required in some areas, including the establishment of a gender marker system with financial benchmarks to track resource allocations to gender equality, and in relation to women in management positions.

157. UNRWA information systems architecture has been the subject of significant reforms in recent years. More work will be undertaken during the biennium to complete these reforms.

158. UNRWA will adhere to the principle of results-based management and will employ strong risk management systems and oversight structures. The Agency will continue to strengthen its monitoring and analytical capacity, including in relation to developing a better understanding of vulnerability to poverty and social marginalization and the ways in which its programmes and partners can provide a more effective response. UNRWA will make optimal use of evaluations and has developed a long-term evaluation plan for the period 2015-2021.

159. UNRWA will ensure that it operates in full compliance with its regulatory framework, applicable international law and the humanitarian principles of humanity, neutrality, impartiality and independence. It will conduct regular inspections of facilities and ensure that inspection and investigation systems are in place to ensure adherence to this commitment. There will be a no-tolerance approach to fraud, corruption and any other financial irregularities. UNRWA will optimize the benefit of strengthened legal capacities in all field offices and headquarters to reduce potential liabilities and exposure to reputational risk and to ensure maximum appreciation of and adherence to its privileges and immunities. The Agency will further develop and implement internal oversight workplans that address enterprise risk and, therefore, further its ability to achieve its strategic objectives. UNRWA will ensure that accepted recommendations of audits, evaluations and inspections, as well as decisions relating to fraud, corruption and other financial irregularities, are promptly followed up on and implemented.

160. Furthermore, UNRWA will ensure that efficient and flexible operational structures, systems and procedures are in place so that it is prepared and ready to respond to emergencies when they arise. Opportunity exist for the Agency to further improve its agility, its flexibility and, therefore, its effectiveness in any environment, whether one of relative safety, crisis, emergency or high risk.

161. UNRWA remains committed to building stronger and more empowering relationships with refugees and staff. Refugees must be given the opportunity to influence decisions that will affect them. The Agency will engage with and involve refugees at various stages in the planning cycle. UNRWA will improve communications and clarity to refugees about their entitlements and mechanisms for hearing and responding to petitions and complaints.

162. With so many of the Agency's achievements depending on the direct delivery of services to refugees by individual staff, building a strong culture of trust, consultation and respect at all levels in workforce management and staff relations is

of vital importance. With a view to building greater awareness of the perceptions, expectations and requirements of staff and management, consultation will foster higher levels of trust and respect in the workplace. Renewed efforts will be made to promote leadership development and a collaborative organizational culture. UNRWA will also strengthen its commitment to transparency, open communication and dialogue. UNRWA will ensure the proper handling of appeals and petitions from staff and will review in 2015 the effectiveness of the various mechanisms of the administration of its internal justice system in the light of the ongoing review of the United Nations system for the administration of justice.

163. The security of its staff is crucial to the Agency's presence and its mandate delivery. Carrying out humanitarian and human development activities in places of armed conflict or internal violence continues to be a dangerous undertaking. UNRWA recognizes that the risks to the refugee community are not distinguishable from the risks to its 30,000 local staff, who live within and serve the community. UNRWA acknowledges as a starting premise that it and its front-line staff will face significant risks. The key organizational issue is the way in which UNRWA manages those risks. The Agency will focus on four targeted initiatives to improve staff safety. First, it will finalize the establishment of an institutional security management framework. Second, it will carry out organizational and field operational risk assessments regarding the programmes, projects, activities, staff occupations and/or staff most risk at. Third, it will build the capacity of management and staff to make decisions about safety and security within the workplace, with an eye towards being able to identify and assess emerging risks. Fourth, it will further develop its security and operational risk management system in order to deliver on the aforementioned initiatives. It will do so in order to meet the mandatory United Nations requirement to maintain a robust internal security management system that adheres to the principles of determining acceptable risk; providing adequate and sustainable resources to manage risks to staff, operations, premises and assets; and implementing security policies and procedures.

B. Objectives

164. The objectives are to provide effective leadership and direction for achieving strategic objectives and to develop and sustain UNRWA, enabling it to carry out its mandate.

C. Financial resources

Table 15

Effective and efficient governance and support in the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	2016 estimate	*2017 estimate*
Provision of effective leadership and direction for achieving strategic objectives	71 845	72 710
Develop and sustain UNRWA, enabling it to carry out its mandate[a]	76 589	77 596
Total regular budget	**148 434**	**150 306**
Project budget	**3 248**	**3 282**
Total	**151 682**	**153 588**

[a] Excludes Microfinance Department budget self-sustained through interest income on loan distributions.

Chapter VII
Recommendations of the United Nations Board of Auditors: status of implementation

165. Table 16 illustrates the current status of 89 recommendations made by the Board of Auditors in its report for the biennium ended 31 December 2013. As at 31 July 2015, 39 recommendations had been implemented, 44 were under implementation, 1 had not been implemented and 5 had been overtaken by events.

166. The Agency's management is committed to implementing the recommendations, some of which require additional funding, span bienniums or require strategic intervention. The implementation of most of the recommendations indicated as under implementation is planned for the third and fourth quarters of 2015.

Table 16
Status of implementation of the recommendations of the Board of Auditors for the biennium ended 31 December 2013

		Implementation status			
Department	*Number of recommendations*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
External Relations and Communications Department	3	–	2	1	–
Finance Department	5	3	2	–	–
Department of Administrative Support	37	16	16	–	5
Programme coordination and support	25	9	16	–	–
Department of Human Resources	8	6	2	–	–
Department of Internal Oversight Services	8	5	3	–	–
Executive management	3	–	3	–	–
Total	**89**	**39**	**44**	**1**	**5**

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